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EU-27

Oilseeds and Products Annual

Ample Soybean World Supplies to Boost EU-27 Soybean Meal Consumption

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Report Highlights:
Total EU-27 oilseed production for marketing year (MY) 2013/14 is expected to reach 29.7 million metric tons (MMT), an increase of 8.6 percent. Increased production will come primarily through higher rapeseed acreage, especially in Germany, and through a return to normal sunflower seed yields, which were down last season due to drought conditions in major producing countries. Ample global soy supplies, combined with increases in EU-27 poultry and swine, are expected to increase the use of soybean meal in animal feed starting in the second half of MY 2012/13 and continuing into MY 2013/14.

Executive Summary:
Coordinator: Roswitha Krautgartner, FAS/Vienna

Consumption and Trade
The EU-27 is highly dependent on imports of oilseeds and oilseeds products (protein meals and vegetable oils) to meet demand for food, feed and industrial uses, including biofuel production. This is especially true for oilseeds with no or limited domestic production, such as palm and soybean oil. Some 70 percent of soybean meal and almost 50 percent of sunflower meal must be imported. Only the production of rapeseed meal is somewhat higher than demand. A steadily growing poultry sector (Poultry and Products Semi-Annual Report 2013) and a recovery in the swine sector (Livestock and Products Semi-Annual Report 2013) in MY 2013/14 is expected to boost demand for protein meals. This will increase the use of soybean meal starting in the second half of MY 2012/13 and into the following MY. Due to ample soy supplies from South America, soybean meal will be price competitive compared to domestically produced rapeseed meal. Considering expected higher yields in sunflower production in MY 2013/14, the share of sunflower meal in feed ratios is also expected to increase. Total use of vegetable oils is forecast to increase by almost 1.5 percent compared to the previous year to 23.5 MMT. The production of biodiesel, the second largest use of vegetable oils after food, is still growing, although at a slower pace than previously anticipated. Most EU-27 biodiesel production uses rapeseed oil as the main feedstock. However, palm oil, because of its price competitiveness, is forecast to see increased food and biofuel use, particularly in The Netherlands.

Production
Total EU-27 oilseeds area in MY 2013/14 is forecast to increase by 3.5 percent to11.6 million ha. The increase is mainly explained by an almost 7 percent higher rapeseed area, which was down in 2012/13 due to unfavorable weather conditions. The major increases in acreage are expected to occur in Germany and in Central and Eastern European countries such as Romania, the Slovak Republic, Bulgaria, Hungary, and Poland. The forecast for sunflower area is flat whereas soybean area is expected to rebound somewhat, albeit from a relatively small base. Expectations for total EU-27 oilseeds production in MY 2013/14 are for an 8.6 percent increase reaching 29.7 MMT. Compared to the previous year, rapeseed, sunflower and soybean production are forecast to grow. The increase comes through higher rapeseed acreage and a return to normal sunflower seed yields, which were down in MY 2012/13 due to drought in major producing countries. A significant share of EU-27 soybean production is directed to non-biotech (non-GMO) food markets and initiatives like the “Danube Soya Association” are promoting non-biotech protein feed supplies. However, EU-27 potential for soy production will remain minor relative to overall animal feed demand.

Policy
The EU oilseeds market is increasingly affected by the development of the biofuels market. For biofuels (including feedstocks used to produce biofuels) to be eligible for financial support, they must comply with sustainability criteria outlined in the EU Renewable Energy Directive (RED). One of the criteria is to have at least 35 percent green house gas savings compared to conventional fuels. In practice, the RED has the effect of discriminating against U.S. soybeans.

Introduction

This report presents the outlook for oilseeds in the EU-27. The data in this report is based on the views of Foreign Agricultural Service (FAS) analysts in the EU and is not official USDA data.

This report was a group effort of the following FAS analysts:

Karin Bendz	USEU/FAS Brussels covering EU policy
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Marta Guerrero	FAS/Madrid covering Spain and Portugal
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Monica Dobrescu	FAS/Bucharest covering Romania
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Roswitha Krautgartner	FAS/Vienna covering Austria and Slovenia
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The FAS EU-27 oilseeds reporting team would like to thank Yoonhee Macke from FAS/OGA for her valuable input and support.

Abbreviations used in this report

Benelux = Belgium, the Netherlands, and Luxembourg
CAP = EU common agricultural policy
CY = Calendar year
e = Estimate (of a value/number for the current, not yet completed, marketing year)
EU-27 = European Union of 27 member states (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, France, Finland, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom)
EFSA = European Food Safety Authority
f = Forecast (of a value/number for the next, not yet started, marketing year)
FSW = Feed, Seed, Waste
Ha = Hectares
GE = Genetically engineered / Genetically engineered organisms
GHG = Greenhouse gas
MT = Metric ton (1000 kg)
MMT = Million metric tons
MS = EU Member State(s)
MY = Marketing year
NUTS2 = Nomenclature of Units for Territorial Statistics level 2 = code for regions within a country
RED = Renewable Energy Directive
RSPO = Round Table on Sustainable Palm Oil
SME = Soybean meal equivalent
U.K. = United Kingdom
U.A.E. = United Arabic Emirates
U.S. = The United States of America

In this report "**biofuel**" includes only biofuels used in the transport sector. Biomass/biofuel used for electricity production or other technical uses such as lubricants or in detergents are included in "**industrial use**".

The marketing years used in this report are:

January - December
Copra complex
Palm Kernel complex
Palm Oil
Fish Meal

July-June
Rapeseed complex

October -September
Soybean complex
Sunflower complex
Cottonseed complex
Peanut complex

November - October
Olive Oil

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1. Total Oilseeds

Coordinator: Roswitha Krautgartner, FAS/Vienna

Note: Total oilseeds include different marketing years with different beginning and ending months.

Total Oilseeds – Seeds

Commodity:	Total Oilseeds (1000 HA / 1000 MT)					
Marketing Year	MY 2011/12		MY 2012/13		MY 2013/14	
	USDA Official	Post New	USDA Official	Post New	USDA Official	Post New
Area	11,668	11,714	11,103	11,169		11,558
Beginning Stocks	2,753	2,753	3,330	3,517		2,623
Production	29,207	29,108	27,216	27,312		29,658
Extra EU27 imports	16,757	16,763	16,023	16,151		16,203
TOTAL SUPPLY	48,717	48,624	46,569	46,980		48,484
Extra EU27 exports	816	769	482	517		746
Crush	41,200	40,248	40,645	39,823		40,496

Food Use	1,028	1,103	1,016	1,047		1,079
Feed, Seed, Waste	2,343	2,987	2,186	2,971		2,948
TOTAL DOMESTIC USE	44,571	44,338	43,847	43,840		44,523
Ending Stocks	3,330	3,517	2,240	2,623		3,215
TOTAL DISTRIBUTION	48,717	48,624	46,569	46,980		48,484

Source: FAS EU-27

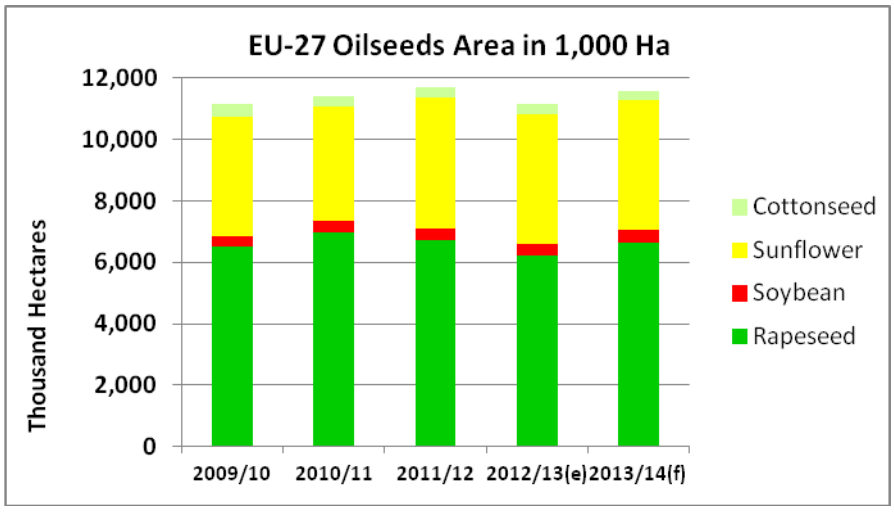
EU-27 Total Oilseeds Area

MY 2013/14

Total EU-27 oilseeds area in MY 2013/14 is forecast to increase by 3.5 percent compared to the previous year and is expected to reach 11.6 million ha. The increase is mainly explained by an almost 7 percent higher rapeseed area, which was down in 2012/13 due to unfavorable weather conditions. The major increases in acreage are expected to occur in Central and Eastern European countries like Romania, the Slovak Republic, Bulgaria, Hungary, and Poland. The forecast for sunflower area is flat whereas soybean area is expected to rebound.

MY 2012/13

In MY 2012/13, total EU-27 oilseeds area is down by 4.6 percent, mainly due to lower rapeseed acreage where planting and growing conditions have been adverse.



Note: The years refer to the calendar year in which the harvest occurs (e.g. 2010 = harvested in CY 2010, marketed in MY 2010/11)
Source: FAS EU-27

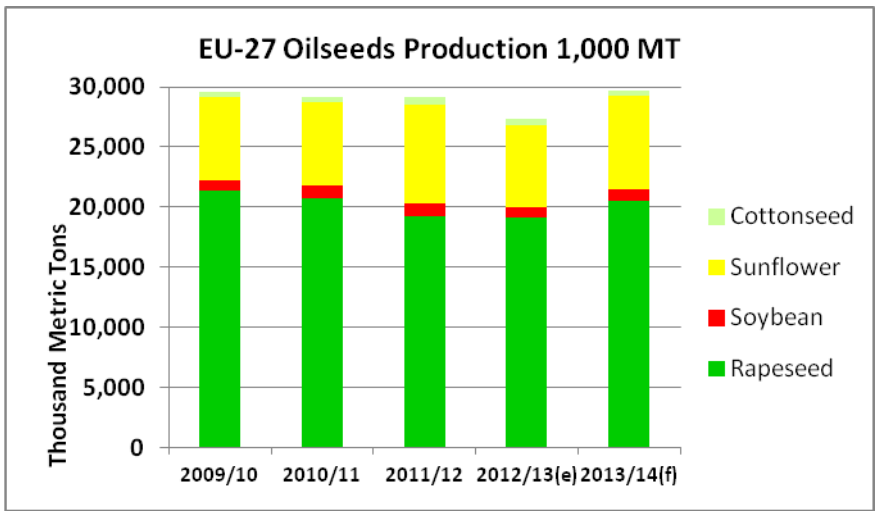
EU-27 Total Oilseeds Production

MY 2013/14

Expectations for a total EU-27 oilseeds production in MY 2013/14 are for an 8.6 percent increase reaching 29.7 MMT. Compared to the previous year, rapeseed, sunflower and soybean production is forecast to grow. The increase is through higher acreage of rapeseed and normal yields of sunflower seed, which were down in 2012/13 due to drought in major producing countries.

MY 2012/13

Year-on-year total EU-27 oilseeds production is down by 6.2 percent in MY2012/13 which is basically the result of lower yields in sunflower seed due to drought in Spain, Romania, and Bulgaria.

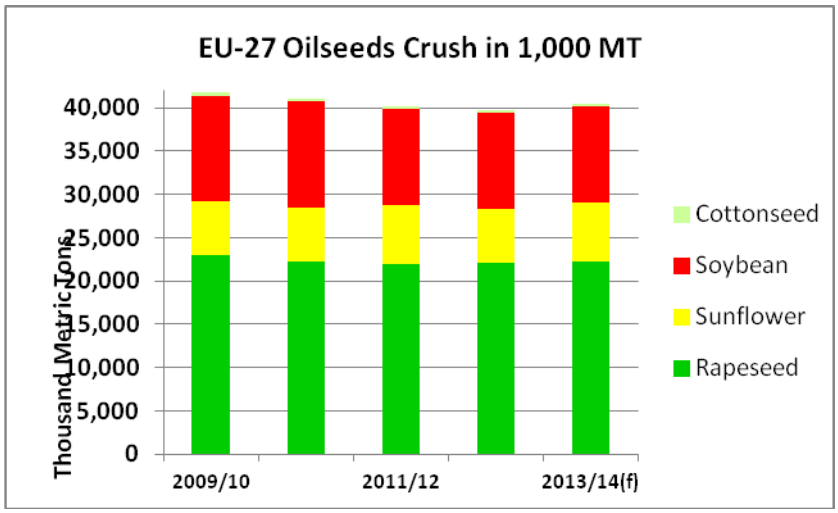


Note: The years refer to the calendar year in which the harvest occurs (e.g. 2010 = harvested in CY 2010, marketed in MY 2010/11)
Source: FAS EU-27

EU-27 Total Oilseeds Crush

MY 2013/14
In line with increased domestic production, total EU-27 oilseeds crush is expected to increase by 1.7 percent to 40.5 MMT, the largest increase being for sunflower seed crush, followed by rapeseed crush and soybean crush. Stocks are forecast to build following a very tight year in 2012/13.

MY 2012/13
Tight domestic and world supply in 2012/13 brings an estimated one percent reduced crush for a total crush of 39.8 MMT. Most of the decline comes from lower sunflower seed and rapeseed.



Note: Crush for olive oil production is not included
Source: FAS EU-27

Total Oilseed - Meals

Commodity:	Total Meals (1000 MT)					
Marketing Year	MY 2011/12		MY 2012/13		MY 2013/14	
	USDA Official	Post New	USDA Official	Post New	USDA Official	Post New
Crush	41,200	40,233	40,645	39,808		40,481
Extraction Rate						
Beginning Stocks	912	912	1,205	1,174		921
Production	26,524	25,115	26,154	24,899		25,162
Extra EU27 imports	28,098	28,093	26,979	27,699		27,744
TOTAL SUPPLY	55,534	54,120	54,338	53,772		53,827
Extra EU27 exports	1,509	1,496	1,177	1,352		1,431
Industrial	630	510	610	510		510
Biofuels Use						
Food Use	32	32	32	32		32
Feed, Seed, Waste	52,158	50,908	51,996	50,957		51,095
TOTAL DOMESTIC USE	52,820	51,450	52,638	51,499		51,637
Ending Stocks	1,205	1,174	523	921		759
TOTAL DISTRIBUTION	55,534	54,120	54,338	53,772		53,827

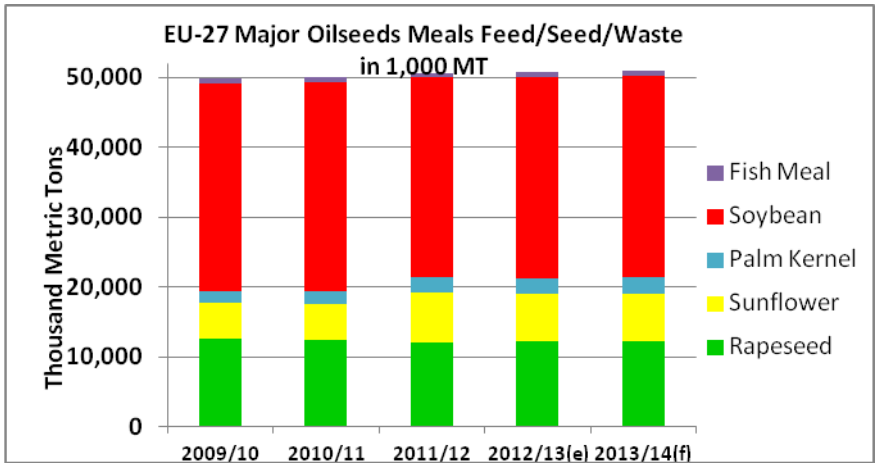
Source: FAS EU-27

MY2013/14

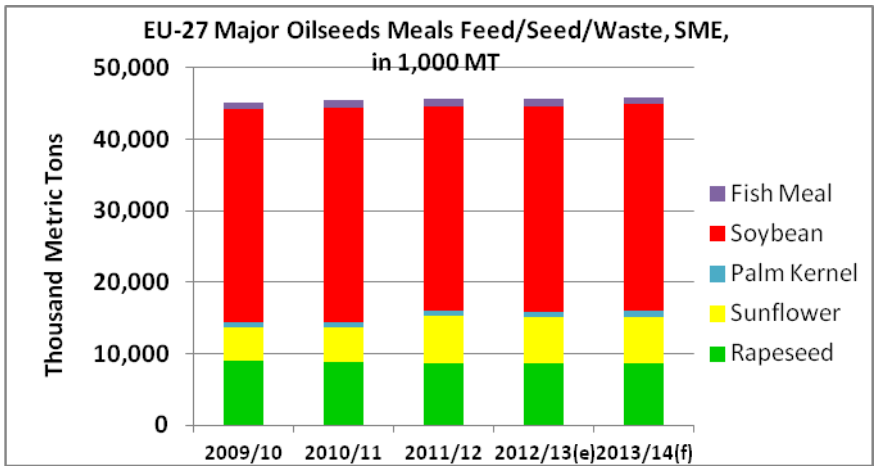
The higher crush in 2013/14 will cause EU-27 total oilseeds meal production to grow by an expected 1.1 percent to a volume of 25.2 MMT. Total supply of oilseeds is forecast to be nearly flat due to level imports but lower available stocks. A steadily growing poultry sector and recovery in the swine sector in MY 2013/14 is expected to boost the demand for protein meals, which should favor the use of soybean meal starting in the second half of MY 2012/13 and continuing into the following MY. Due to ample supplies from South America, soybean meal will be price competitive relative to local rapeseed meal.

MY2012/13

Compared to the previous MY, feed use of EU-27 oilseed meals is estimated to be almost flat in 2012/13.



Source: FAS EU-27



Source: FAS EU-27

Total Oilseeds - Oils

Commodity:	Total Oils (1000 MT)					
Marketing Year	MY 2011/12		MY 2012/13		MY 2013/14	
	USDA Official	Post New	USDA Official	Post New	USDA Official	Post New
Crush	41,200	40,233	40,645	39,808		40,581
Extraction Rate						
Beginning Stocks	1,666	1,666	1,530	1,975		1,417
Production	16,816	16,674	16,172	15,550		16,686
Extra EU27 imports	8,985	8,989	9,033	8,757		8,631
TOTAL SUPPLY	27,467	27,329	26,735	26,282		26,734
Extra EU27 exports	2,037	1,967	1,567	1,719		1,822
Industrial	10,998	2,820	10,970	2,720		2,700
Biofuels		8,030		8,120		8,260
Food Use	12,537	12,082	12,614	11,853		12,068
Feed, Seed, Waste	359	490	335	478		478
TOTAL DOMESTIC USE	23,900	23,422	23,927	23,181		23,506
Ending Stocks	1,530	20,010	1,241	1,392		1,406
TOTAL DISTRIBUTION	27,467	27,329	26,735	26,282		26,759

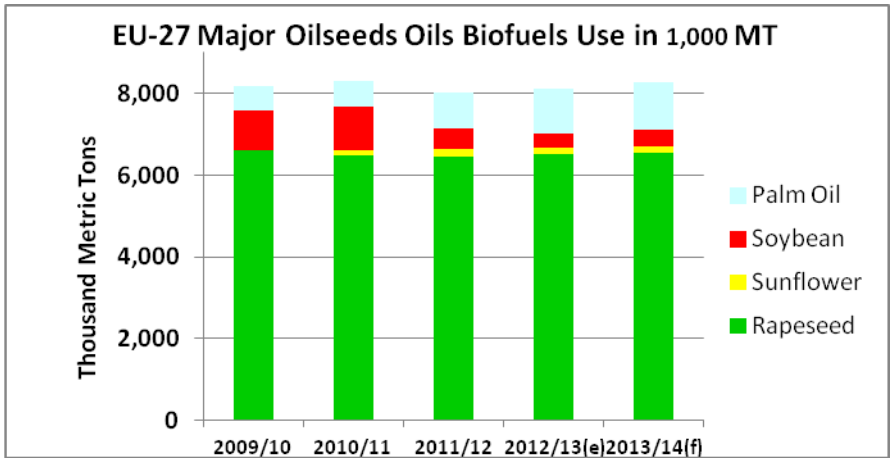
Source: FAS EU-27

MY 2013/14

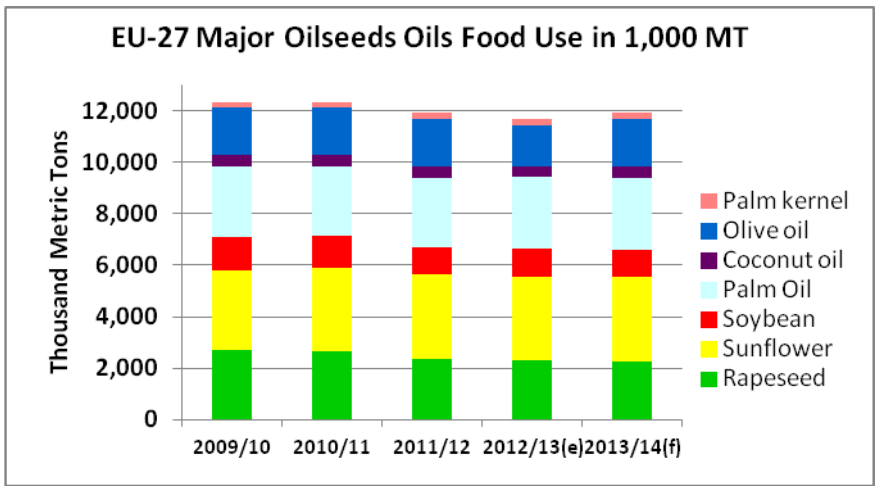
In line with higher domestic production and higher crush, EU-27 oilseeds oil production in 2013/14 is expected to be up by 7.3 percent and should reach 16.7 MMT. Total domestic use of oils is expected to increase by 1.5 percent to 23.5 MMT. The use of oilseeds oils for biofuels production is forecast to be up by 1.7 percent to 8.3 MMT. This is a result of increased use of rapeseed oil, soybean oil and particularly palm oil as biofuels feedstock. Rapeseed oil remains the primary feedstock for biodiesel. Due to high domestic supply, imports of oilseeds oils are expected to decline by 1.6 percent in 2013/14 while exports are estimated to increase by almost 6 percent.

MY 2012/13

Tight supplies of oilseeds oils in 2012/13 lead to an increase imports but lower exports and domestic use. Food use of vegetable oils remains fairly stable.



Source: FAS EU-27



Source: FAS EU-27

2. Soybean Complex

Coordinator: Marie-Cecile Henard/FAS Paris

Soybeans

Oilseed, Soybean EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	425	386	425	367		389
Area Harvested	451	386	400	367		389
Beginning Stocks	595	595	700	900		856
Production	1,288	1,073	950	856		972
MY Imports	11,956	11,956	11,600	11,900		12,000
MY Imp. from U.S.	1,424	1,424	2,800	3,000		3,000
MY Imp. from EU	0	0	0	0		0
Total Supply	13,839	13,624	13,250	13,656		13,828
MY Exports	39	39	30	50		50
MY Exp. to EU	0	0	0	0		0
Crush	12,150	11,000	11,800	11,100		11,200
Food Use Dom. Cons.	120	150	120	150		150
Feed Waste Dom. Cons.	830	1,535	780	1,500		1,500
Total Dom. Cons.	13,100	12,685	12,700	12,750		12,850

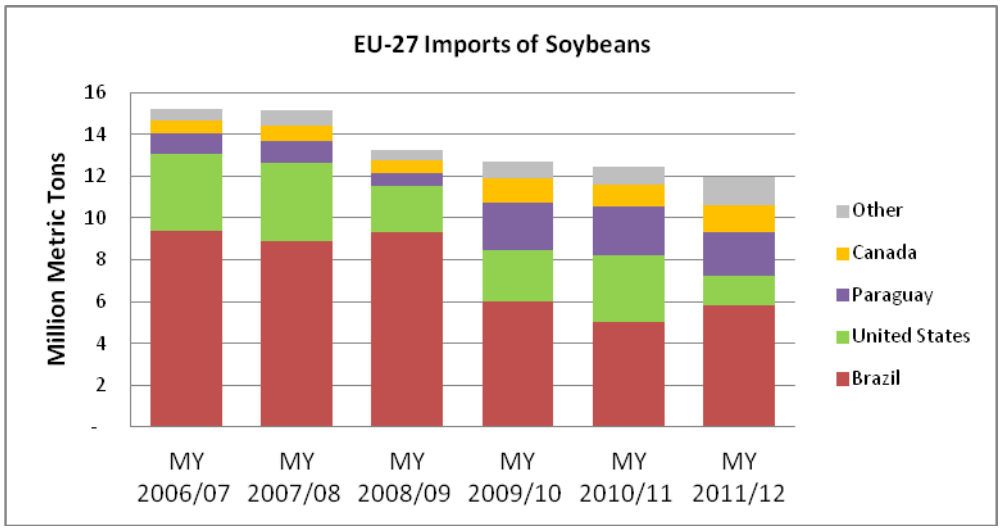
Ending Stocks	700	900	520	856		928
Total Distribution	13,839	13,624	13,250	13,656		13,828
1000 HA, 1000 MT						

Source: FAS EU-27

General

In the EU-27, soybean area and production are marginal relative to other crops and account for just 3 percent of total oilseeds production. Soybean production is also marginal compared to domestic demand, which is mainly driven by the feed use of soybean meal. Soybean meal is the preferred meal used in animal feed rations, accounting for 60 percent of the vegetable meals consumed. Most EU-produced soybean meal is derived from imported soybeans. Domestically-grown soybeans account for less than 10 percent of total soybeans crushed in the EU, and more than 70 percent of soybean meal used in feed is imported, much of it from South America.

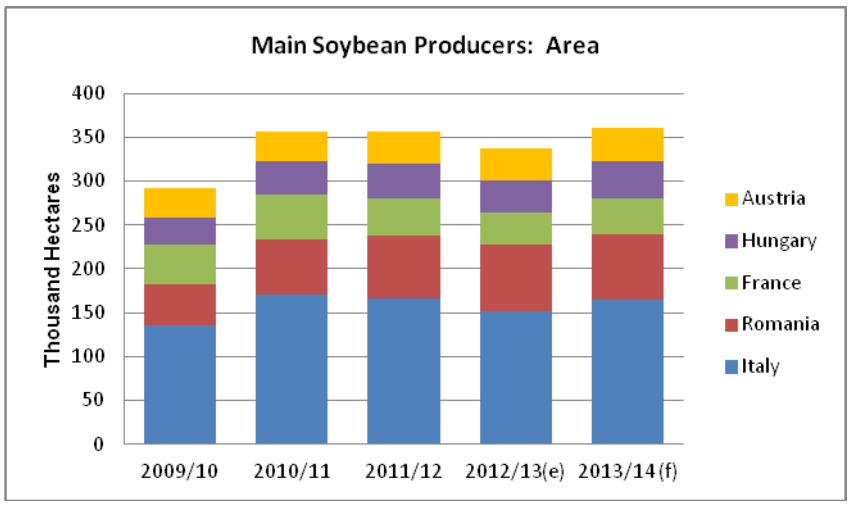
EU imports of soybeans have steadily declined in the past few years, as EU operators increasing prefer to import soybean meal rather than soybeans, and European crushing capacity has expanded for rapeseed and sunflower seed at the expense of soybeans. Brazilian soybeans dominate European imports, with half of the shipments, while Paraguay has gradually increased its market share to 17 percent in MY 2011/12. Northern hemisphere suppliers, primarily the United States and Canada, seasonly complement South American supplier, ensuring that the EU livestock and poultry industries are supplied with soybean products year round. Northern hemisphere suppliers provided 22 percent of soybeans in MY 2011/12.



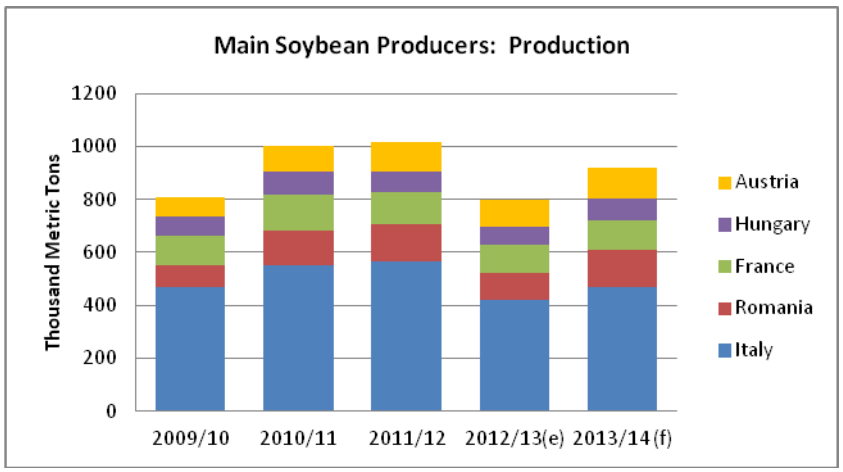
Source: Global Trade Atlas

MY 2013/14

In MY 2013/14, EU soybean production is estimated to bounce back to its level of MY2011/12, following a record low production in MY 2012/13 in Italy, where half of the European production is located. Secondary producers are Romania, Austria, France, and Hungary.



Source: FAS EU-27



Source: FAS EU-27

With ample global supplies expected in MY 2013/14, EU soybean imports are expected to increase to 12 MMT. This is a result of both high crops in South America and an anticipated larger U.S. crop.

European demand for soybeans is being supported by a recovery of the swine and poultry sectors. Poultry is the animal category consuming the largest share of soybean meal, followed by swine, and cattle. Also, poultry is the animal category where substituting soybean meal with other meals is the most difficult from an animal nutrition standpoint. The current difficult economic conditions in Europe favor consumption of the cheapest meat, which is poultry.

In the EU, the largest crushers are Spain, Germany, and the Benelux. Higher crush to 11.2 million MT is anticipated in MY 2013/14, in line with import trends, as a result of the higher feed demand from poultry and swine, ample world supplies and competitive prices relative to other feedstocks.

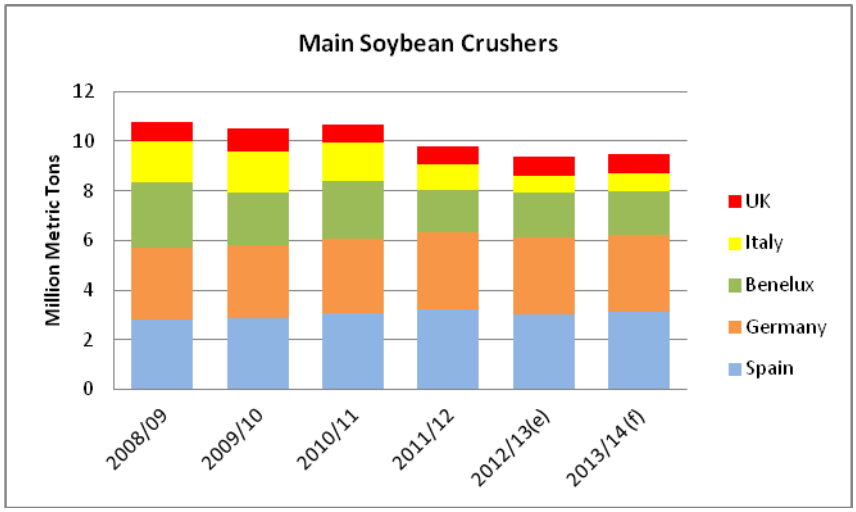
The EU's largest suppliers of soybeans and meal are also the world's largest producers of biotech (GMO) soybeans. However, a significant share of Europe's limited soybean production is directed to the non-biotech feed market, which is a distinct segment from bulk imported soybeans and meals.

To help support demand for meat produced from animals produced with non-biotech feeds, several MS are currently undertaking initiatives, including the "Danube Soya Association," a non-governmental association supported by the Austrian government to promote the production and processing of non-biotech soybeans in the Danube region. Since January 2013, nine countries have signed the "Danube Soya Declaration": Austria, Bavaria, Bosnia Herzegovina, Croatia, Hungary, Romania, Serbia, Slovenia

and Switzerland. According to the "Danube Soya Association" the production potential for soybeans in the Danube region is 4 MMT.

Other initiatives include the Austrian poultry industry's complete switch to non- biotech feed, which has contributed to a significant jump in retail prices for poultry. Also, animal feed compounder use of non-biotech soybean meal is estimated to have grown to 20 percent in France, mainly due to various biotech-free labeling initiatives that have been put in place.

In France and Germany, both governments favor reducing imported protein-rich animal feed and seek to promote domestic sources of protein feed, including domestically-grown rapeseed meal and field pea production. There is also discussion at the EU-level about decreasing European dependence on imported animal protein feeds.



Source: FAS EU-27

MY 2012/13

Soybean area and production were revised down in MY 2011/12 and MY 2012/13, as a result of revised estimates in Italy, which nevertheless continued to be the leading EU soybean producer.

EU imports of soybeans were revised up from previous estimates, now reflecting a slight decline to 11.9 MMT from MY 2011/12. The drop in the first part of the season is expected to be almost offset by increased shipments in the second half of the season. The drop in the first part of the MY was due to high soybean prices, in line with their shortage on world markets as a result of the U.S. drought in the summer of 2012 and shipping delays in Brazil and Argentina in the winter and spring of 2013. During the second part of the year, EU imports are expected to grow rapidly when infrastructure and shipping capacity catch up to what is estimated to be a record harvest in South America.

EU crush is estimated to slightly increase to 11.1 MMT, accounting for 28 percent of the EU crush of the major oilseeds. Higher soybean crush is expected to result from increased demand for soybean meal in animal feed and because grain and sunflower meal supplies are tight.

Soybean Meal

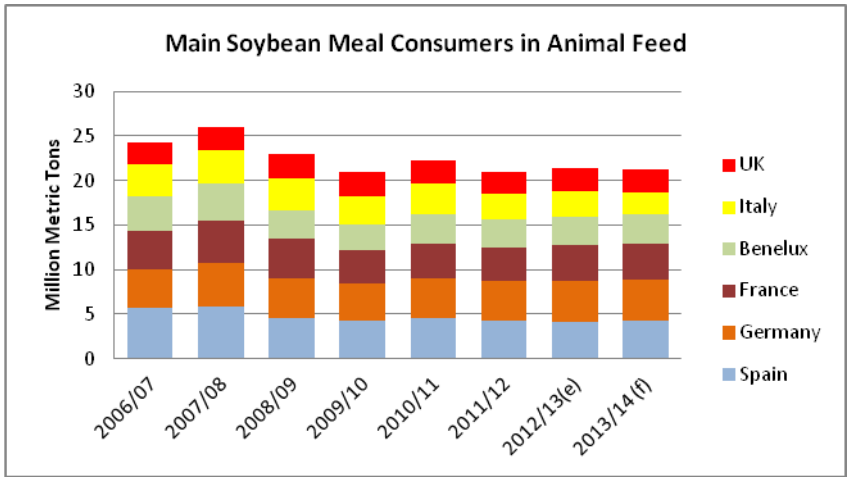
Meal, Soybean EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	12,150	11,000	11,800	11,100		11,200
Extr. Rate, 999.9999	1	1	1	1		1
Beginning Stocks	492	492	289	428		386
Production	9,573	8,650	9,300	8,700		8,700
MY Imports	20,814	20,801	20,500	20,900		21,000

MY Imp. from U.S.	100	442	850	500		500
MY Imp. from EU	0	0	0	0		0
Total Supply	30,879	29,943	30,089	30,028		30,086
MY Exports	884	873	630	800		800
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	10	10	10	10		10
Food Use Dom. Cons.	32	32	32	32		32
Feed Waste Dom. Cons.	29,664	28,600	29,207	28,800		28,900
Total Dom. Cons.	29,706	28,642	29,249	28,842		28,942
Ending Stocks	289	428	210	386		344
Total Distribution	30,879	29,943	30,089	30,028		30,086
1000 MT, PERCENT						

Source: FAS EU-27

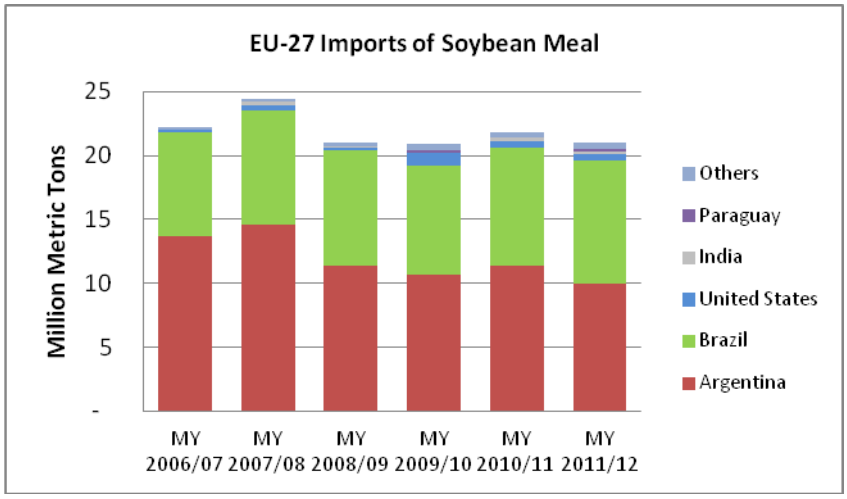
General

Spain, Germany, France, the Benelux, Italy, and the United Kingdom.
Account for more than 70 percent of EU-27 soybean meal consumption.



Source: FAS EU-27

Brazil and Argentina supply the bulk of soybean meal to the EU. India remains a marginal supplier compared to Brazil and Argentina, but its market share has increased significantly in the past years as a supplier of non-biotech soybean meal.



Source: Global Trade Atlas

MY 2013/14

The anticipated recovery of the European swine industry and rising long-term consumer demand for poultry meat is expected to favor a higher use of soybean meal in animal feed. Stronger demand will trigger slight increase in both production and imports.

MY 2012/13

As for soybeans, EU imports and feed of soybean meal in the first part of the season have been low, due to the lack of price-competitiveness of imported soybean meal relative to locally-supplied rapeseed meal and sunflower meal. The record soybean harvest in South America is however expected to provide large supplies of soybean meal from spring 2013, pressing prices down, for the benefit of a higher incorporation rate of soybean meal in animal feed rations in the second half of MY 2012/13.

The reduced availability of sunflower meal and feed grains are also expected to increase the use of soybean meal in animal feed by 7 percent to 28.8 million MT, pushing imports up 4 percent to 20.9 million MT.

As mentioned, the market share for non-biotech soybean meal is expanding in several EU Member States. While most non-biotech soybean products have traditionally been supplied by Brazil, the buyers are attempting to diversify. India is a minor supplier of soybean meal to the EU compared to Argentina and Brazil. Nevertheless, the EU became India's leading export destination in the first quarter of MY 2012/13, with almost 20 percent of total exports. India's exports to the EU in the first three months of MY 2012/13 (292,000 MT) were almost as high as India's exports to the EU during the whole MY 2011/12 (331,000 MT). France, where the share of non-biotech soy meal demand is estimated at 20 percent, bought half of India's exports to the EU. The premium for non-biotech soybean meal is currently estimated at 60-70 Euros per MT, or roughly a 13 percent premium to normal soybean meal prices.

Soybean Oil

Oil, Soybean EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	12,150	11,000	11,800	11,100		11,200
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	266	266	143	153		113
Production	2,220	2,050	2,156	2,100		2,050
MY Imports	383	383	400	250		250
MY Imp. from U.S.	1	0	1	0		0
MY Imp. from EU	0	0	0	0		0

Total Supply	2,869	2,699	2,699	2,503		2,413
MY Exports	746	746	500	700		650
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	880	700	980	550		580
Food Use Dom. Cons.	1,040	1,050	1,000	1,100		1,050
Feed Waste Dom. Cons.	60	50	60	40		40
-	0	0	0	0		0
Total Dom. Cons.	1,980	1,800	2,040	1,690		1,670
Ending Stocks	143	153	159	113		93
Total Distribution	2,869	2,699	2,699	2,503		2,413
1000 MT, PERCENT						

Source: FAS EU-27

Breakout of Industrial Uses for Soybean Oil in MT:

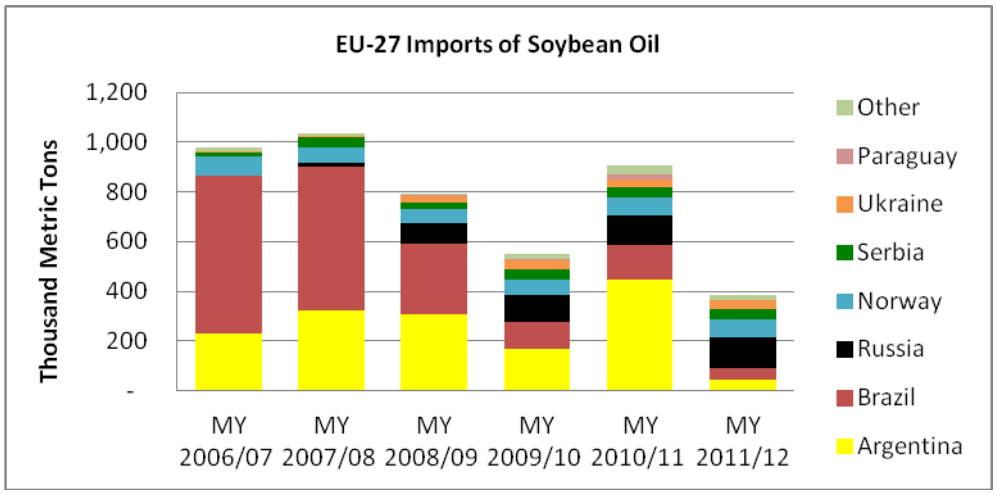
	MY 2011/12	MY 2012/13	MY 2013/14
Biofuels Use	500	350	400
Other Industrial Uses	200	200	180
Total Industrial Use	700	550	580

Source: FAS EU-27

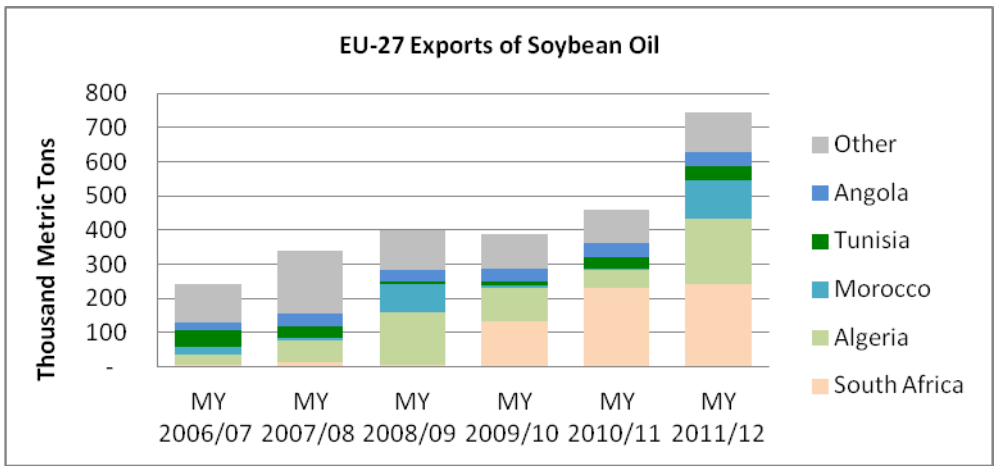
General

Until 2010/11, the EU was a net importer of soybean oil, mainly for biodiesel production. Since MY 2011/12 however, the EU has become a net exporter of soybean oil, with exports about twice as high as imports. As a result of the implementation of the RED, soybean oil became more difficult to use as a feedstock for the biodiesel industry, and the EU has imported biodiesel from Argentina and Indonesia rather than soybean oil and palm oil for these countries.

The EU-27 is a net exporter of soybean oil; however, soybean oil produced as a result of crushing of imported beans is being re-exported. EU exports of soybean oil have tripled between 2006/07 to 2011/12. Major export destinations include South Africa, Algeria and Morocco. Interestingly, North African countries were traditional export markets for soybean oil for the EU before the biodiesel industry developed in Europe in the 1990's. The largest exporters of soybean oil within the EU are Spain, Germany and the Benelux, which are also the largest crushers.



Source: Global Trade Atlas



Source: Global Trade Atlas

MY 2013/14

In MY 2013/14, EU demand for soybean oil is expected to decline, mainly due to a reduction in food use demand to 1 million MT. Soy oil market share will be offset by higher palm oil, sunflower oil, and olive oil use. The use of soybean oil for biodiesel is expected to slightly recover to 400,000 MT. Volumes are down due to the implementation of EU anti-dumping measures on Argentine and Indonesian exports of biodiesel to the EU. The EU-27 if forecast to be a net exporter of soybean oil, with imports 2.6 times lower than exports.

MY 2012/13

EU demand for soybean oil is estimated to be down to 350,000 MT, mainly due to reduced use for biodiesel. EU direct imports of biodiesel from Argentina and Malaysia are booming in part because the RED has the effect of making the use of soybean oil to produce biodiesel less competitive. By contrast, food use of soybean oil is estimated to be up to 1.1 million MT, as a result of lower sunflower oil and olive oil supplies. In addition, exports are flourishing, and are expected to reach a record high of 700,000 MT. Soy oil export have already reached 270,000 MT in the first quarter of the MY, more than double from the same period in the previous year. EU imports of soybean oil are therefore estimated to decline.

3. Rapeseed Complex

Coordinator: Leif Erik Rehder/FAS Berlin

Rapeseed Seeds

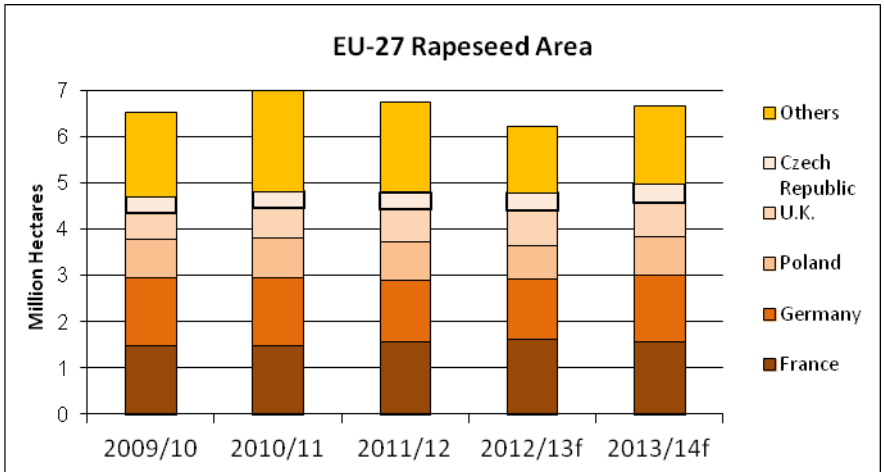
Oilseed, Rapeseed EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	7,000	0	6,900	0		0
Area Harvested	6,634	6,731	6,100	6,217		6,651
Beginning Stocks	1,843	1,843	2,093	1,922		1,272
Production	19,077	19,191	18,800	19,100		20,500
MY Imports	3,762	3,762	3,400	3,250		3,200
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	24,682	24,796	24,293	24,272		24,972
MY Exports	124	124	100	50		100
MY Exp. to EU	0	0	0	0		0
Crush	21,610	21,900	22,000	22,100		22,300
Food Use Dom. Cons.	0	0	0	0		0

Feed Waste Dom. Cons.	855	850	800	850		850
Total Dom. Cons.	22,465	22,750	22,800	22,950		23,150
Ending Stocks	2,093	1,922	1,393	1,272		1,722
Total Distribution	24,682	24,796	24,293	24,272		24,972
1000 HA, 1000 MT						

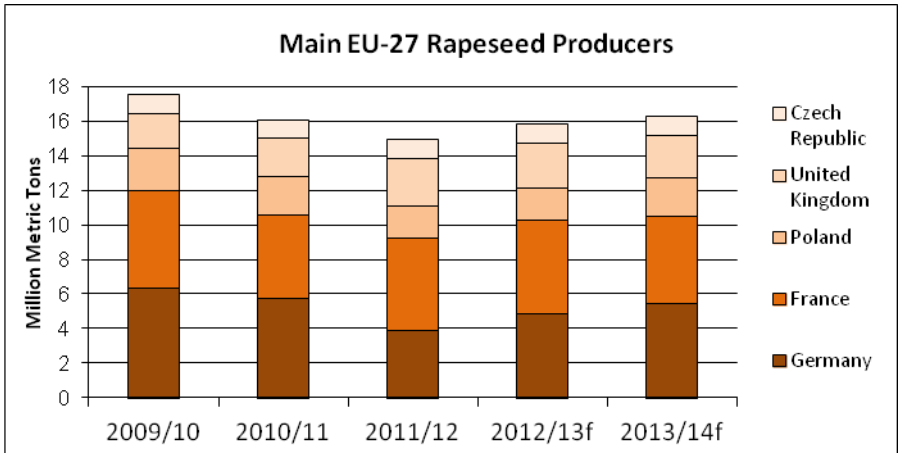
Source: FAS EU-27

General

The EU is the world's largest producer of rapeseed. Within the EU, the largest producers are France and Germany followed by the U.K., Poland, and the Czech Republic. European demand outstrips domestic supply, leading to imports of large quantities of rapeseed for crushing. Rapeseed meal is used as a feed by the livestock sector. However, the popularity of rapeseed meal as a feed varies among EU countries. Its use is most pronounced in countries that have a long rapeseed crushing history and high dairy production, such as Germany, France, the Benelux countries, and the UK. A main demand driver for rapeseed oil is the biodiesel industry.



Source: FAS EU-27



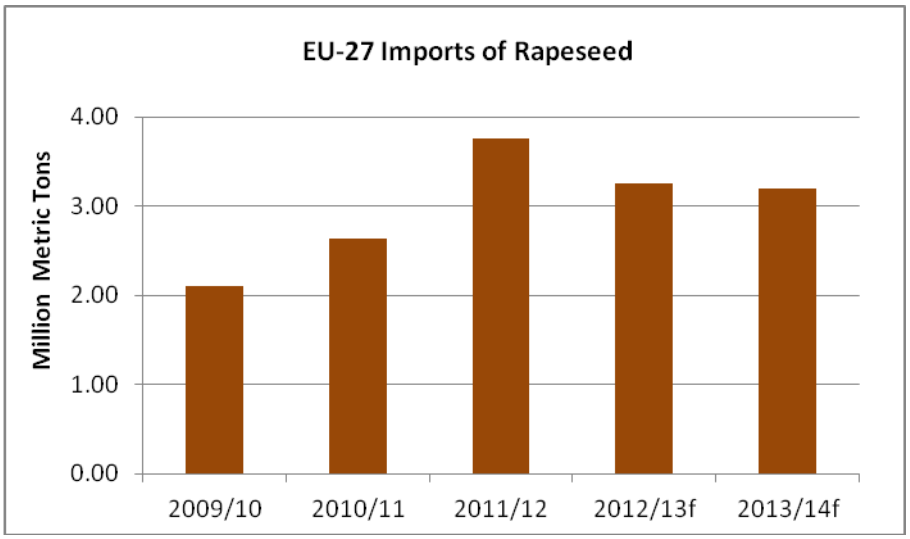
Source: FAS EU-27

MY 2013/14

The forecast for EU-27 rapeseed area is nine percent or 550,000 ha higher than the 2012/13 USDA official number. This is mainly due to farmers in Central and Eastern European countries like Romania, the Slovak Republic, Bulgaria, Hungary, and Poland increasing acreage compared to 2012/13 harvested

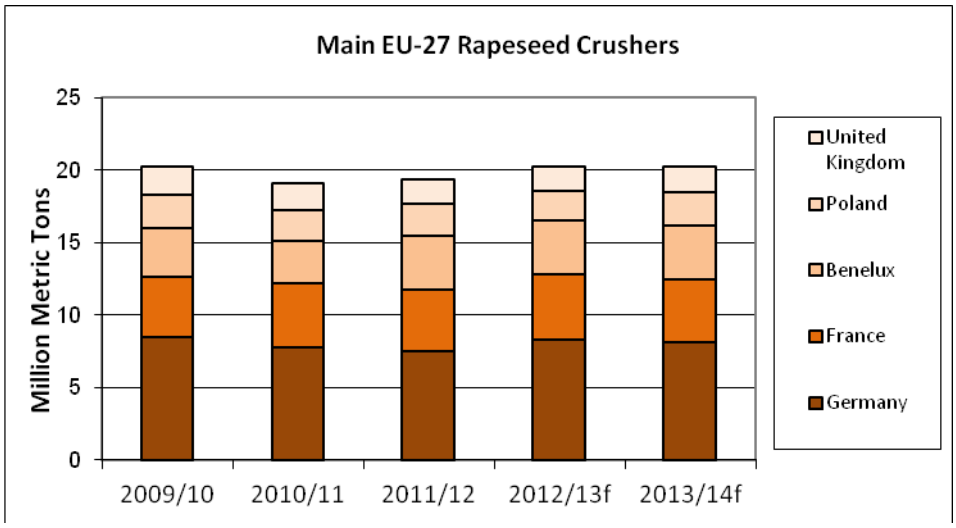
area when winterkill and dryness affected plantings. In some areas of Northern Germany, farmers have nearly doubled plantings, which points to a higher overall German area estimate. The steep increase in plantings in these EU-27 countries more than offsets the reduction in the France and the U.K. Late drilling and wet soils led to a reduction of the area in the U.K. French farmers are indicating a preference for wheat over rapeseed.

Total EU-27 rapeseed production is forecast at 20.5 MMT which is nine percent higher than the 2012 USDA official number. With the exception of the U.K. rapeseed plantings are in overall good condition and winterkill minimal.



Source: FAS EU-27

EU-27 imports of rapeseed will decrease slightly in MY 2013/14 due to higher domestic production. Ukraine and Australia will remain the major suppliers followed by Canada and Russia.



Source: FAS EU-27

Rapeseed crush volumes are expected to follow the larger availability of domestic rapeseed production. As the supply of rapeseed is larger than in previous years, stocks will be higher at the end of the Marketing Year 2013/14.

MY 2012/13

Preliminary final data shows EU-27 rapeseed production slightly lower than in MY 2011/12. Imports are estimated to decrease compared to 2011/12 due to lower availability of rapeseed on the world market especially in the first half of MY 2012/13. However, imports are expected to bounce back in the second half of the MY. This will be mainly driven by supplies from Australia. Rapeseed crush is expected to increase slightly due to high crush in the first months of the MY 2012/13. As imports of rapeseed could not compensate for the low domestic availability of rapeseed ending stocks were lower.

Rapeseed Meal

Meal, Rapeseed EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	21,610	21,900	22,000	0		0
Extr. Rate, 999.9999	1	1	1	0		0
Beginning Stocks	118	118	130	103		92
Production	12,441	12,150	12,665	12,300		12,400
MY Imports	228	228	260	210		200
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	12,787	12,496	13,055	12,613		12,692
MY Exports	293	293	250	271		300
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	12,364	12,100	12,715	12,250		12,250
Total Dom. Cons.	12,364	12,100	12,715	12,250		12,250
Ending Stocks	130	103	90	92		142
Total Distribution	12,787	12,496	13,055	12,613		12,692
1000 MT, PERCENT						

Source: FAS EU-27

Rapeseed meal production is projected to increase further in MY 2013/14. Due to high availability of rapeseed meal on the domestic market exports are expected to increase slightly with Norway, Israel, Switzerland and, Morocco as the main destinations.

Rapeseed Oil

Oil, Rapeseed EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	21,610	0	22,000	22,100		22,300
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	124	124	156	198		123
Production	8,980	9,170	9,142	9,170		9,300
MY Imports	599	599	350	350		350
MY Imp. from U.S.	15	0	15	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	9,703	9,893	9,648	9,718		9,773
MY Exports	245	245	270	245		250
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	7,000	7,050	6,880	7,000		7,050
Food Use Dom. Cons.	2,297	2,350	2,370	2,300		2,250
Feed Waste Dom. Cons.	5	50	5	50		50
Total Dom. Cons.	9,302	9,450	9,255	9,350		9,350

Ending Stocks	156	198	123	123		173
Total Distribution	9,703	9,893	9,648	9,718		9,773
1000 MT, PERCENT						

Source: FAS EU-27

Biofuels production is the major use of rapeseed oil in the EU-27 and an important market driver. After a small dip in MY 2011/12, the use of rapeseed oil for biodiesel is expected to increase slightly in MY 2012/13 and 2013/14. Food use of rapeseed oil is decreasing slightly due high availability and competitive prices of palm oil.

As the domestic rapeseed oil market is more balanced in MY 2012/13, imports have decreased and are now just slightly higher than exports. It is expected that this trend will continue in 2013/14. In the first half of MY 2012/13, imports have dropped substantially due to competition with palm oil and the oversupply of rapeseed oil on the EU market. Shipments from the U.S. have nearly come to an end.

Breakout of Industrial Uses for Rapeseed Oil in MT

	MY 2011/12	MY 2012/13	MY 2013/14
Biofuel Use	6,450	6,500	6,550
Industrial Use	600	500	500
	7,050	7,000	7,050

Source: FAS EU-27

4. Sunflower Complex

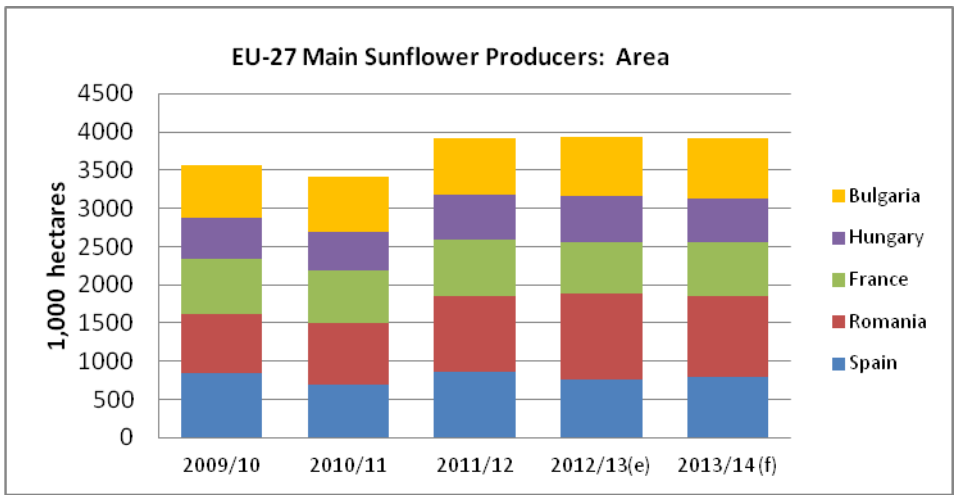
Coordinator: Mila Boshnakova/ FAS Sofia and Monica Dobrescu FAS/ Bucharest

Sunflower Seeds

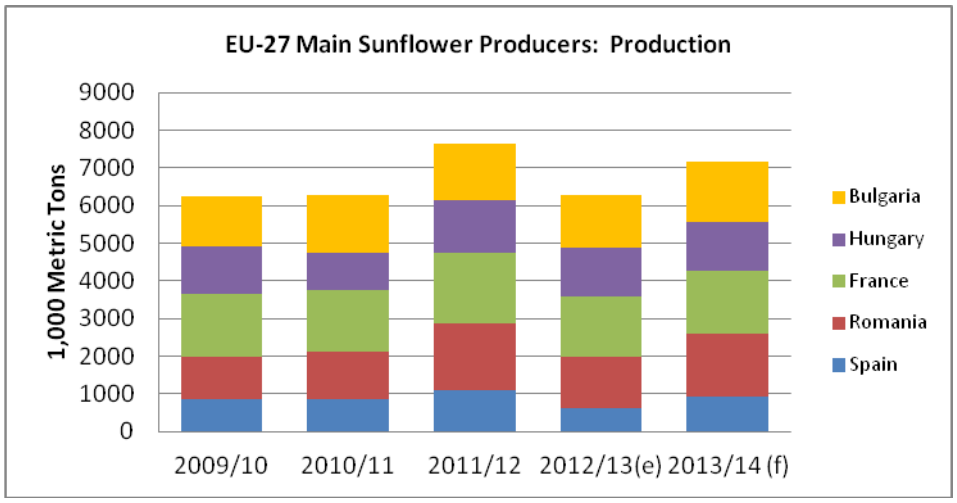
Oilseed, Sunflowerseed EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	3,900	4,244	3,900	4,230		4,230
Area Harvested	4,231	4,244	4,250	4,230		4,230
Beginning Stocks	285	285	510	668		468
Production	8,292	8,300	6,950	6,870		7,800
MY Imports	282	282	250	270		250
MY Imp. from U.S.	40	0	50	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	8,859	8,867	7,710	7,808		8,518
MY Exports	599	559	300	370		550
MY Exp. to EU	0	0	0	0		0
Crush	6,960	6,900	6,390	6,250		6,700
Food Use Dom. Cons.	290	290	270	270		280
Feed Waste Dom. Cons.	500	450	450	450		450
Total Dom. Cons.	7,750	7,640	7,110	6,970		7,430
Ending Stocks	510	668	300	468		538
Total Distribution	8,859	8,867	7,710	7,808		8,518
1000 HA, 1000 MT						

Source: FAS EU-27

The EU is a major producer and crusher of sunflower seed. Imports increase in deficit years while exports are driven mainly by regional demand (Turkey and non-EU European countries). Major EU producers are France, Romania, Bulgaria, Hungary and Spain. Planted area has been stable but with an upward tendency over the past three years, a trend that is likely to continue in the near term. Production is generally vulnerable to drought, especially since larger producer countries/regions are in southern Europe. However, better genetics and newer production technologies are helping to stabilize yields somewhat.

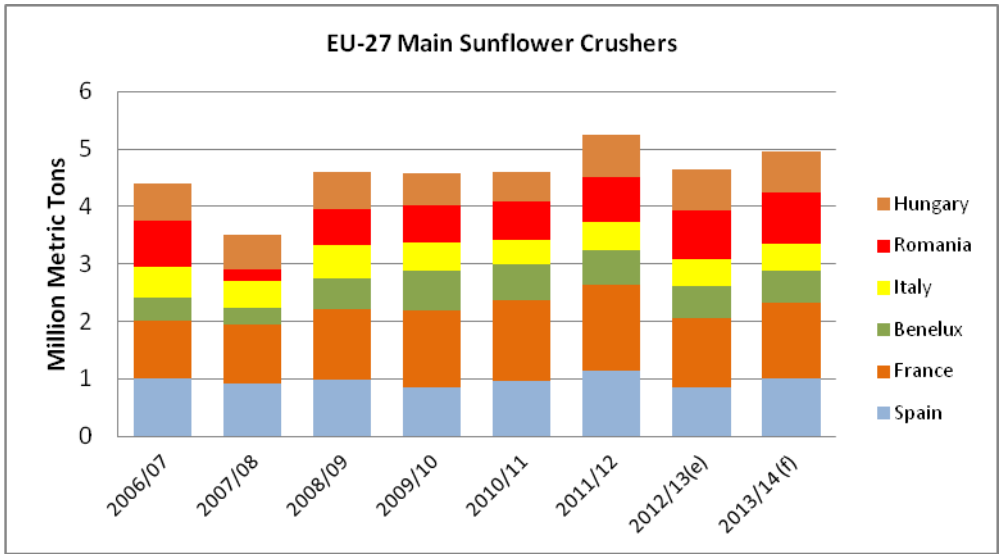


Source: FAS EU-27



Source: FAS EU-27

The leading sunflower seed suppliers to the EU are the Black Sea exporters, Ukraine and Russia, followed by Argentina, the United States, Moldova and Serbia. In the EU, the largest crushers are France, Spain, Romania, Hungary, the Benelux and Italy.



Source: FAS EU-27

MY 2013/14

EU 27 Sunflower seed production is forecast to grow in MY 2013/14, following abnormally low production in MY 2012/13 due to drought in Spain, Romania and Bulgaria. Growth in planted areas is forecast in the major producing countries of Bulgaria, Spain, Italy, and France. To accommodate the greater area, there will be modest reductions in corn and spring barley area and re-seeding of some winter rapeseed. However, in Romania and Hungary planted areas are projected lower due to higher profitability for competing crops. Thus, the EU-27 planted area is currently estimated to remain at the same level as in the MY 2012/13.

Sunflower seed production is projected at 7.8 MMT, which is 13 percent higher than in MY 2012/13. This estimate is still below the record in MY 2011/12 when production reached 8.3 MMT.

Imports are forecast to decline by 8 percent under the assumption of higher domestic supply. Some of the larger traditional suppliers of sunflower seed to the EU have seen a growth in domestic demand and increases in crushing capacity, implying a lower supply entering trade channels.

Higher EU-27 supply is also forecast to lead to growth in crush, currently estimated at 7 percent compared to MY 2012/13, although it may still remain below the record of MY 2011/12. We anticipate that EU-27 demand for sunflower meal and oil in MY 2013/14 will be favorable and stimulate more crush. Ending stocks are also projected to increase by 15 percent to a more comfortable level, thanks to improved availability and modest restoration in EU crush.

EU-27 exports are anticipated to rebound to normal levels following last year's short crop.

MY 2012/13

Sunflower seeds production was sharply down (17 percent versus MY 2011/12) and remains below the USDA official estimate, mainly due to lower yields as a result of drought in all major producers – Bulgaria, France, Hungary, Italy, Romania, and especially in Spain where both planted areas and production declined drastically. Due to adverse weather conditions, large producing countries also report lower quality in terms of average oil content and impurities, and higher water content which have been affecting the crushers' efficiency during the year.

Despite lower EU domestic supply, imports are currently projected to decline compared to the previous season due to less available exportable supplies from the Black Sea countries and Argentina, in addition to the lower competitiveness of sunflower seeds in terms of price. Another reason for lower imports is the softening of crush demand in the EU as a result of less attractive crush margins, and lower

competitiveness of sunflower oil compared to other oils. However, certain member-states such as Spain and France are perceived to continue to have good crush demand, therefore, current estimates are still above USDA official data.

Complex reasons are causing an overall lower crush, including limited domestic supplies, negative crush margins, less competitive sunflower seeds prices, competition with rapeseed, and uncompetitive sunflower oil prices. Some member states report low crushing capacity utilization.

Sunflower seed exports to third countries have been very sluggish, falling 77 percent during the first three months of the MY compared to the corresponding period in MY 2011/12. The main reason for the drop is weaker demand from traditional markets in Turkey and the Balkan countries.

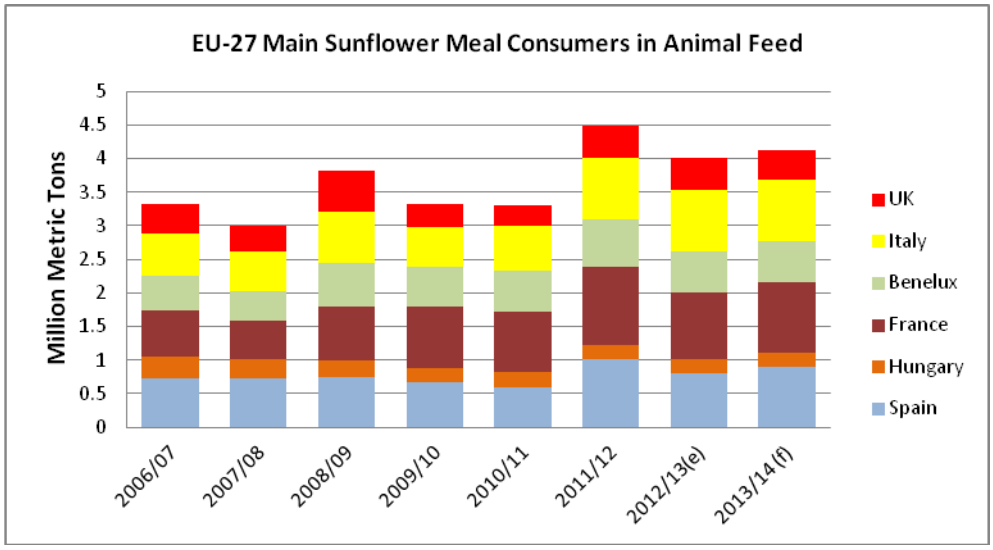
Sunflower Meal

Meal, Sunflowerseed EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	6,960	6,900	6,390	6,250		6,700
Extr. Rate, 999.9999	1	1	1	1		1
Beginning Stocks	295	295	609	638		438
Production	3,779	3,700	3,470	3,300		3,500
MY Imports	3,827	3,827	3,300	3,300		3,280
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	7,901	7,822	7,379	7,238		7,218
MY Exports	134	134	100	100		150
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	7,158	7,050	7,075	6,700		6,800
Total Dom. Cons.	7,158	7,050	7,075	6,700		6,800
Ending Stocks	609	638	204	438		268
Total Distribution	7,901	7,822	7,379	7,238		7,218
1000 MT, PERCENT						

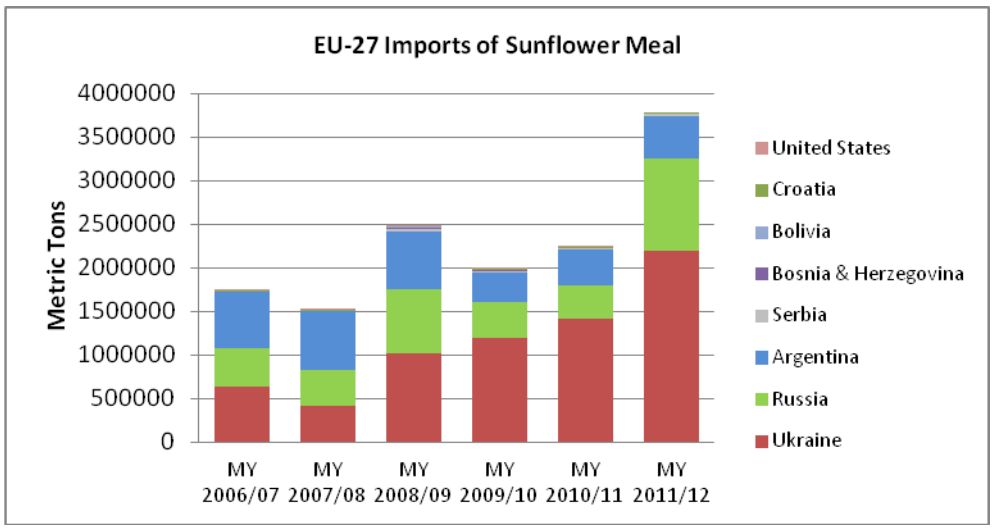
Source: FAS EU-27

The largest consumers of sunflower meal for animal feed are also leading producers of livestock, poultry and dairy. The lion's portion of sunflower meal consumed for animal feed in the EU is from Spain, France, the Benelux countries, Italy, the United Kingdom and Hungary.

Due to the strong local crush industry and policies restricting seeds exports, Ukraine and Russia dominate sunflower meal exports to the EU, followed by Argentina. Turkey and Egypt remain the major export markets for EU sunflower seed meal exporters.



Source: FAS EU-27



Source: FAS EU-27

MY 2013/14

EU-27 sunflower meal output is forecast grow 6 percent in line with the higher crush estimate. Imports are likely to decline modestly compared to the current year since EU demand will draw first on domestic supplies for feed use. Consumption of sunflower meal in feed is projected to increase moderately (1.5 percent) compared to the current year due to better availability and firm demand. Sunflower meal is increasingly incorporated in feed rations. Exports are likely to rebound to normal or slightly above normal levels.

MY 2012/13

Sunflower meal production is estimated lower due to reduced crush, thus the market deficit is being met by imports, which have increased substantially. Over the first three months of MY 2012/13 imports were 38 percent higher than in the previous season. French imports are reported to be two thirds higher. Growth in imports is also relates to competitively priced exportable supplies in Black Sea producers. Other reasons include stable or even growing EU demand for biotech-free feed ingredients. However, in the second half of MY 2012/13, and probably later than usual because of logistical issues, abundant and competitive soybean meal supplies from South American will outcompete sunflower meal imports. For these reasons, imports for MY 2012/13 are estimated to be lower than in MY 2011/12.

Due to lower availability and despite higher demand and imports, the sunflower meal use for feeding is reduced due to the drop in the total supply, the competitive incorporation of rapeseed meal in the first half of the marketing year and projected competition from soybean meal in the second half of MY 2012/13. Currently, the trends in sunflower meal use in feed by member states varies: countries with the most pronounced reduction in use are Benelux, Denmark and Spain, followed by a large group of countries with modest reductions (France, Germany, Portugal, Romania, Hungary, UK, Greece), and stable consumption in Bulgaria, Czech Republic, Italy, Slovakia and Slovenia. Poland and Austria are expected to see higher use.

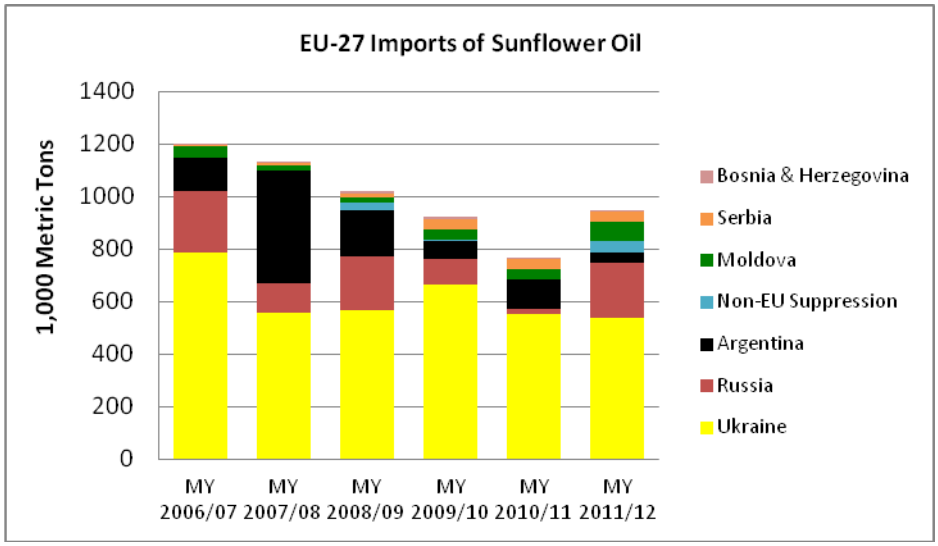
Sunflower meal exports during the first three months in MY 2012/13 were 65 percent behind the previous season. Major importers, including Turkey, have purchased less meal so far and estimates for total MY 2012/13 lower than in MY 2011/12.

Sunflower Oil

Oil, Sunflowerseed EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	6,960	6,900	6,390	6,250		6,700
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	156	156	175	260		232
Production	2,918	2,920	2,679	2,630		2,850
MY Imports	959	959	1,150	1,050		900
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	4,033	4,035	4,004	3,940		3,982
MY Exports	205	205	140	180		190
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	230	250	250	240		230
Food Use Dom. Cons.	3,420	3,300	3,440	3,270		3,300
Feed Waste Dom. Cons.	3	20	3	18		18
Total Dom. Cons.	3,653	3,570	3,693	3,528		3,548
Ending Stocks	175	260	171	232		244
Total Distribution	4,033	4,035	4,004	3,940		3,982
1000 MT, PERCENT						

Source: FAS EU-27

The European Union is a net importer of sunflower oil, mainly used for food purposes, and not for biodiesel. The largest EU exporters of sunflower oil are Spain, Hungary, Bulgaria and Romania, while France, Hungary, Spain and Romania lead inter-EU exports. These countries are also the largest crushers in the EU.



Source: FAS EU-27

Breakout of Industrial Uses for Sunflower Oil in MT

	MY 2011/12	MY 2012/13	MY 2013/14
Biofuels Use	180	170	160
Other Industrial Uses	70	70	70
Total Industrial Use	250	240	230

Source: FAS EU-27

MY 2013/14

Sunflower oil output is forecast to grow by 8 percent due to higher projected crush. Imports are forecast to decrease by up to 15 percent due to higher local supplies while exports may grow slightly due to better availability and expected favorable regional demand. A modest growth in sunflower oil consumption (about one percent) to more traditional level of 3.3 MMT is forecast.

MY 2012/13

In MY12/13, the EU-27 sunflower oil supply will decrease due to lower crush. Demand is being met by record imports, despite competition from other oils. For the first three months of the marketing year, imports were 46 percent higher than in the similar timeframe of the previous season. Moreover, there are abundant regional supplies in Ukraine and Russia. Higher consumption in Spain due to a deficit of olive oils is also having an impact. Finally, campaigns in some member states against palm oil, especially in France, Bulgaria, and Hungary, are having some impact on oil choice.

Annual imports are projected to be up to 10 percent above MY 2011/12 level. Nevertheless, projections are for diminishing imports for the rest of the year due to the seasonality of suppliers on the global market. Sunflower oil exports from Argentina may not be sufficient to compensate for declining shipments out the Black Sea region.

Sunflower oil consumption is estimated to be modestly less than in the previous season, mainly due to deteriorated price competiveness. Many member states report reduced consumption to a varying degree, including the United Kingdom, Italy, Germany, France. Others, including Benelux, Bulgaria, Hungary, Romania, Poland, report stable food. In Spain, food use is growing. .

Sunflower seed oil exports from October-December 2012 were 10 percent behind last year's level due to lower demand from traditional importers (Turkey), thus the annual exports are estimated to be lower than in MY 2011/12.

5. Palm Kernel Complex

Coordinator: Bob Flach/FAS The Hague

Oilseed, Palm Kernel EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: May 2011		Market Year Begin: May 2012		Market Year Begin: May 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	0	0	0	0		0
Trees	0	0	0	0		0
Beginning Stocks	0	0	0	0		0
Production	0	0	0	0		0
MY Imports	9	15	15	15		15
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	9	15	15	15		15
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Crush	9	15	15	15		15
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	9	15	15	15		15
Ending Stocks	0	0	0	0		0
Total Distribution	9	15	15	15		15
1000 HA, 1000 TREES, 1000 MT						

Source: FAS EU-27

Meal, Palm Kernel EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	9	0	15	0		0
Extr. Rate, 999.9999	1	0	1	0		0
Beginning Stocks	0	0	153	0		0
Production	5	8	8	8		8
MY Imports	2,726	2,726	2,400	2,800		2,800
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	2,731	2,734	2,561	2,808		2,808
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	620	500	600	500		500
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	1,958	2,234	1,961	2,308		2,308
Total Dom. Cons.	2,578	2,734	2,561	2,808		2,808
Ending Stocks	153	0	0	0		0
Total Distribution	2,731	2,734	2,561	2,808		2,808
1000 MT, PERCENT						

Source: FAS EU-27

Oilseed, Palm Kernel EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: May 2011		Market Year Begin: May 2012		Market Year Begin: May 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0

Area Harvested	0	0	0	0		0
Trees	0	0	0	0		0
Beginning Stocks	0	0	0	0		0
Production	0	0	0	0		0
MY Imports	9	15	15	15		15
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	9	15	15	15		15
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Crush	9	15	15	15		15
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	9	15	15	15		15
Ending Stocks	0	0	0	0		0
Total Distribution	9	15	15	15		15
1000 HA, 1000 TREES, 1000 MT						

Source: FAS EU-27

Palm Kernel Complex 2013

In 2012, 2013 and 2014, EU palm kernel meal use for feed is expected to increase to about 2.3 MMT, from 1.7 MMT in 2011. This is a result of increasing supplies of palm meal from Asia and lower supplies of soybean meal. The Benelux countries, Germany, the UK and Ireland all use palm kernel meal in livestock feed. The import and use of palm kernel oil increased by three percent in 2012, and is expected to increase slightly in 2013 and 2014 following the increasing supply from Asia.

6. Palm Oil

Coordinator: Bob Flach/ FAS The Hague

Oil, Palm EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	0	0	0	0		0
Trees	0	0	0	0		0
Beginning Stocks	455	455	388	628		558
Production	0	0	0	0		0
MY Imports	5,637	5,647	5,600	5,650		5,700
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	6,092	6,102	5,988	6,278		6,258
MY Exports	174	174	180	170		160
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	2,410	2,250	2,380	2,450		2,500
Food Use Dom. Cons.	2,850	2,700	2,800	2,750		2,800
Feed Waste Dom. Cons.	270	350	245	350		350
Total Dom. Cons.	5,530	5,300	5,425	5,550		5,650
Ending Stocks	388	628	383	558		448
Total Distribution	6,092	6,102	5,988	6,278		6,258
1000 HA, 1000 TREES, 1000 MT						

Source: FAS EU-27

Breakout of Industrial Uses for Palm Oil in MT

	MY 2011/12	MY 2012/13	MY 2013/14
Biofuel Use	900	1,100	1,150
Other Industrial Use	1,350	1,350	1,350
Total Industrial Use	2,250	2,450	2,500

Source: FAS EU-27

During the past ten years, EU imports of palm oil almost doubled from about 3 MMT in 2002 to 5.6 MMT in 2012. This growth is mainly attributable to the increased imports of crude palm oil through the port of Rotterdam. Currently, the refining capacity in this port is estimated at about 2.2 MMT per year. While EU imports of crude palm oil increased from 1.1 MMT to 4.6 MMT, refined palm oil imports fluctuated between 1.0 and 1.5 MMT since 2000.

After a temporary reduction of EU palm oil imports from 5.4 MMT in 2010 to 4.9 MMT in 2011, imports recovered to 5.6 MMT in 2012. The upturn is partly caused by increased refining capacity in the port of Rotterdam. In Rotterdam a new biofuel plant with an annual capacity of 800,000 MT of biofuel has been operational since December 2011. There was also a widening price gap between palm oil and other competing vegetable oils in 2012. Besides The Netherlands, Germany, Italy, Spain and the UK increased third country imports by about five to fifteen percent during 2012.

Palm oil use for industrial purposes, including combustion for combined heat and power (CHP) and production of biofuels, is estimated at about 2.25 MMT in 2012. Biofuel production is forecast to remain a growth market for palm oil. For 2012, the use of palm oil for biofuel production is estimated at 900,000 MT, but is expected to grow to about 1,150,000 MT in 2014. The use of palm oil for biofuel production is forecast to increase particularly in the Netherlands, as a result of the opening of the new biofuel plant in Rotterdam. The plant applies the Biomass to Liquid (BtL) process and the company's goal is to use fifty percent palm oil and forty percent waste oils and fats as feedstock. If palm oil is used for the production of biofuels, it must be certified as sustainable under the EU's Renewable Energy Directive (RED). The European Commission approved the Roundtable on Sustainable Palm Oil (RSPO) program as compliant with the RED starting from December 14, 2012. An uncertain factor for the use of palm oil for biofuel production is the enforcement of a greenhouse gas (GHG) savings value of 50% for feedstock as from April 2013. According the Dutch oils and fats sector, this value can be achieved if the palm oil effluent is recycled at the mill.

During the past ten years, palm oil use by the food processing and feed compound industry has steadily increased. Because of its price competiveness, the use of palm oil for food is expected to continue increase to 2.8 MMT in 2014. While the food industry highlights palm oil's low trans-fatty acid content, EU governments and consumers increasingly perceive the palm oil as unhealthy because of the high percentage of saturated fatty acids. In France, the introduction of an import tax of Euro 300 per MT was proposed for palm oil, palm kernel fat and coconut oil. Although the law was not adopted, damage has been done to palm oil's image.

Sustainability certification is also important for further penetration of palm oil into the food market. In the EU, the processors in The Netherlands, the United Kingdom and Belgium have set a goal of using only palm oil certified by the RSPO by the end of 2015. In December 2012, the volume of RSPO certified palm oil passed the 8 MMT, which is about fifteen percent of annual global production.

7. Peanut Complex

Coordinator Jennifer Wilson/ FAS London

Peanuts

Oilseed, Peanut EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Planted	0		0			
Area Harvested	0		0			
Beginning Stocks	8	8	5	5		5
Production	0	0	0	0		0
MY Imports	689	734	700	700		720
MY Imp. from U.S.	60	45	60	45		28
MY Imp. from EU	0	0	0	0		0
Total Supply	697	742	705	705		725
MY Exports	28	28	28	28		28
MY Exp. to EU	0	0	0	0		0
Crush	45	45	45	45		45
Food Use Dom. Cons.	616	661	624	624		647
Feed Waste Dom. Cons.	3	3	3	3		0
Total Dom. Cons.	664	709	672	672		692
Ending Stocks	5	5	5	5		5
Total Distribution	697	742	705	705		725
1000 HA, 1000 MT						

Source: FAS EU-27

The European Union is the largest importer of peanut and peanut products in the world. Imports have historically been relatively stable. Trade in ready-shelled peanuts is increasing at the expense of in-shell (the latter now comprises only 11 percent of total tonnage). Competition among exporters has changed in recent years, with China still leading exports of in-shell to the EU, but peanut trade is now dominated by Argentinean shelled product. The U.S. remains a consistent supplier of in-shell peanuts to the EU – number two position behind China. U.S. shelled peanut trade with the EU has steadily declined in the last decade as EU requirements for pesticide residues, aflatoxin levels, phytosanitary certificates and industry standards have meant that U.S. suppliers have sought to export elsewhere.

The large harvest in the U.S. last fall, together with an expectation of a significantly enhanced Argentinean crop means an abundant peanut supply in MY 2012/13. With Argentina the leader in exporting to the EU, the U.S. is most likely to ship to alternative destinations, such as China, this marketing year. Looking ahead to MY 2013/14, price falls may temper further increases in global peanut production.

Peanut Meal

Meal, Peanut EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	45	45	45	45		45
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	0	0	0	0		0
Production	20	20	20	20		20
MY Imports	18	25	45	45		45
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	38	45	65	65		65
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	38	45	65	65		65
Total Dom. Cons.	38	45	65	65		65
Ending Stocks	0	0	0	0		0

Total Distribution	38	45	65	65		65
1000 MT, PERCENT						

Source: FAS EU-27

The main supplier to the EU of Peanut Meal is Senegal. Exports from West Africa are erratic and intrinsically linked to political levers, as well as extreme weather events. In the last oilseeds report from USDA in Dakar, concerns were raised that MY 2012/13 may bring difficulties for Senegal production. The reduced harvest of MY 2011/12 (on account of a poor rainy season) reportedly led to reduced seed volume and quality. Assuming an improvement on the previous year and no export limitations are imposed, EU imports from Senegal are forecast to increase by 20,000 MT in MY 2013/14.

Peanut Oil

Oilseed, Peanut EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0		0			
Area Harvested	0		0			
Beginning Stocks	8	8	5	5		5
Production	0	0	0	0		0
MY Imports	689	734	700	700		720
MY Imp. from U.S.	60	45	60	45		28
MY Imp. from EU	0	0	0	0		0
Total Supply	697	742	705	705		725
MY Exports	28	28	28	28		28
MY Exp. to EU	0	0	0	0		0
Crush	45	45	45	45		45
Food Use Dom. Cons.	616	661	624	624		647
Feed Waste Dom. Cons.	3	3	3	3		0
Total Dom. Cons.	664	709	672	672		692
Ending Stocks	5	5	5	5		5
Total Distribution	697	742	705	705		725
1000 HA, 1000 MT						

Source: FAS EU-27

In recent years, Senegal has been the key supplier of peanut oil to the EU. However, Brazil is showing consistency of supply along with Argentina. With availability of peanuts high in MY 12/13, there is the possibility of additional crushing and increased imports of peanut oil into the EU in MY 13/14.

8. Fish Meal

Coordinator: Bob Flach/ FAS The Hague

Fish Meal

Meal, Fish EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Catch For Reduction	1,620	0	1,620	0		0
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	2	2	19	0		0
Production	500	400	500	420		420
MY Imports	466	466	450	425		400
MY Imp. from U.S.	2	0	2	0		0
MY Imp. from EU	0	0	0	0		0

Total Supply	968	868	969	845		820
MY Exports	195	195	195	180		180
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	754	673	760	665		640
Total Dom. Cons.	754	673	760	665		640
Ending Stocks	19	0	14	0		0
Total Distribution	968	868	969	845		820
1000 MT, PERCENT						

Source: FAS EU-27

Denmark is the main fishmeal producer in the EU, with an annual production between 150,000 – 200,000 MT. The EU is dependent on fishmeal imports to fulfill domestic demand. In 2012, imports increased to 466,000 MT from 354,000 MT in 2011. Reasons for this significant increase are the limited domestic supply of fishmeal and higher soybean meal prices. In 2012, Danish production fell to an unusually low level of about 150,000 MT. While Peru remains the main supplier with fifty percent of the total, imports from all sources increased. In 2013 and 2014, imports are expected to decline due recovering production in Denmark, limited global supplies of fishmeal, and falling soybean meal prices. Germany and Denmark are the biggest markets for fishmeal in the EU. Together these countries account for about 80 percent of total EU imports.

9. Copra Complex

Coordinator: Leif Erik Rehder/ FAS Berlin

Copra is not produced nor processed in the EU-27. The EU-27 demand is met through imports.

Copra Meal

Meal, Copra EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	0		0			
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	0	0	0	0		0
Production	0		0			
MY Imports	15	15	20	15		15
MY Imp. from U.S.	0		0			
MY Imp. from EU	0		0			
Total Supply	15	15	20	15		15
MY Exports	1		0			
MY Exp. to EU	0		0			
Industrial Dom. Cons.	0		0			
Food Use Dom. Cons.	0		0			
Feed Waste Dom. Cons.	14	15	20	15		15
Total Dom. Cons.	14	15	20	15		15
Ending Stocks	0		0			
Total Distribution	15	15	20	15		15
1000 MT, PERCENT						

Source: FAS EU-27

In 2012, 2013 and 2014, imports of copra meal are expected to remain flat at 15,000 MT with the Benelux countries being primary importers.

Coconut Oil

Oil, Coconut EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	0	0	0	0		0
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	74	74	32	47		42
Production	0	0	0	0		0
MY Imports	658	658	725	680		680
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	732	732	757	727		722
MY Exports	15	15	12	10		10
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	230	230	240	230		230
Food Use Dom. Cons.	445	430	472	435		430
Feed Waste Dom. Cons.	10	10	10	10		10
Total Dom. Cons.	685	670	722	675		670
Ending Stocks	32	47	23	42		42
Total Distribution	732	732	757	727		722
1000 MT, PERCENT						

Source: FAS EU-27

In 2012, EU-27 imports of coconut oil have increased slightly to 658,000 MT. Imports of coconut oil are expected to continue to increase slightly in 2013 as demand in the EU-27 has recovered and prices remain competitive. Over 90 percent of coconut oil is used in the Benelux countries and in Germany. Half of the imported coconut oil is used for food production the other half is for industrial use.

10. Cottonseed Complex

Coordinator: Ornella Bettini, FAS/Rome

Cottonseed

Cottonseed EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area	352	353	353	355		288
Beginning Stocks	22	22	22	22		22
Production	550	544	516	486		386
MY Imports	59	14	58	16		18
MY Imp. from U.S.	7	1	7	2		2
MY Imp. from EU	12	13	12	13		13
Total Supply	631	580	596	524		426
MY Exports	26	19	24	19		18
MY Exp. to EU	118	51	118	50		50
Crush	426	388	395	313		236
Food Use Dom. Cons.	2	2	2	2		2
Feed Waste Dom. Cons.	155	149	153	168		148

Total Dom. Cons.	583	539	550	483		386
Ending Stocks	22	22	22	22		22
Total Distribution	631	580	596	524		426
1000 HA, 1000 MT						

Source: FAS EU-27

Cottonseed Meal

Cottonseed Meal EU-27	**2011/2012**		**2012/2013**		**2013/2014**	
	Market Year Begin: Oct 2011		**Market Year Begin: Oct 2012**		**Market Year Begin: Oct 2013**	
	USDA Official	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	426	388	395	313		236
Extraction Rate	0.483	0.482	0.483	0.482		0.483
Beginning Stocks	5	5	5	5		5
Production	206	187	191	151		114
MY Imports	4	5	4	4		4
MY Imp. from U.S.	1	1	1	1		1
Total Supply	215	197	200	160		123
MY Exports	2	1	2	1		1
MY Exp. to U.S.	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed, Seed Waste Dom. Cons.	208	191	193	154		117
Total Dom. Cons.	208	191	193	154		117
Ending Stocks	5	5	5	5		5
Total Distribution	215	197	200	160		123
1000 MT						

Source: FAS EU-27

Cottonseed Oil

Cottonseed Oil EU-27	**2011/2012**		**2012/2013**		**2013/2014**	
	Market Year Begin: Oct 2011		**Market Year Begin: Oct 2012**		**Market Year Begin: Oct 2013**	
	USDA Official	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	426	388	395	313		236
Extraction Rate	0.184	0.183	0.182	0.182		0.182
Beginning Stocks	5	5	5	5		5
Production	78	71	72	57		43
MY Imports	3	0	3	1		1
MY Imp. from U.S.	0	0	0	0		0
Total Supply	86	76	80	63		49
MY Exports	0	0	0	0		0
MY Exp. to U.S.	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Biofuels	6	0	8	0		0
Food Use Dom. Cons.	75	71	67	58		44
Feed, Seed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	81	71	75	58		44
Ending Stocks	5	5	5	5		5
Total Distribution	86	76	80	63		49

1000 MT

Source: FAS EU-27

Production

The EU-27 is a minor producer of cotton. EU-27 cotton production has declined by more than 50 percent following the 2006 Common Agricultural Policy (CAP) reforms decoupling farm support payments from crop production and reducing support and market barriers for a number of crops, including cotton. The EU-27 also does not permit its farmers to cultivate modern biotech (GMO) cotton varieties, further hurting competitiveness. Only two EU-27 Members States, Greece (80 percent) and Spain (20 percent), grow significant amounts of cotton. Cotton is a major agricultural crop in Greece, accounting for more than 8 percent of total agricultural output. More than 75,000 farmers grow cotton, producing about 80 percent of the EU crop. Greece's MY 2013/14 cotton area and production are forecast to decline by approximately 22.8 and 24.5 percent respectively, in favor of durum wheat and corn, especially in Thessaly. Greece's MY 2012/13 cotton production is estimated at 265,000 MT, 8.6 percent down from the previous year due to lower than expected yields because of bad weather and less fertilizer used. Greek seed cotton prices have increased from €0.42-0.43/Kg at the beginning of the season to nearly €0.48/Kg for limited quantities in mid-November. In Spain, the modification of the payment system in MY 2009/10, along with favorable prices paid to producers has enabled a progressive recovery of the area planted to cotton over the last three MY. Spain's cotton area is concentrated in the region of Andalusia, and is grown on some of the best agricultural land, competing with other irrigated crops.

Crush

In Greece, about 58 percent of cottonseed production is crushed for oil (and oilseed cake) or retained for seed. In Spain, cottonseed production is not crushed, but used directly as animal feed (mostly dairy cows).

Trade

Italy continues to be the main destination for Greek cottonseed exports, accounting for 52.7 percent of the total. Spanish cottonseed feed demand is augmented by imports from Greece, Brazil, and Argentina.

11. Olive Oil

Coordinator: Marta Guerrero/ FAS Madrid

OLIVE OIL

Oil, Olive EU-27	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Nov 2011		Market Year Begin: Nov 2012		Market Year Begin: Nov 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	0	0	0	0		0
Trees	6,750	0	6,750	0		0
Beginning Stocks	541	541	596	619		299
Production	2,600	2,440	2,100	1,570		2,420
MY Imports	112	104	125	150		90
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	3,253	3,085	2,821	2,339		2,809
MY Exports	636	566	450	400		555
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	50	50	50	50		50
Food Use Dom. Cons.	1,971	1,850	1,970	1,590		1,830
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	2,021	1,900	2,020	1,640		1,880
Ending Stocks	596	619	351	299		374

Total Distribution	3,253	3,085	2,821	2,339		2,809
1000 HA, 1000 TREES, 1000 MT						

Source: FAS EU-27

MY 2013/14

Olive oil production in the EU-27 is expected to grow in MY2013/14, driven by higher Spanish production. Rising input costs in Italy, and farm structure limitations in Greece, prevents olive oil production from growing in these two countries. This is, however, being offset by new and more intensive Spanish and Portuguese olive plantations. Longer term, ample supplies are expected to result in rebound in domestic consumption to longer term averages. Improved exports prospects and a modest stock build-up are also expected.

MY 2012/13

Production

The EU is the largest producer and consumer of olive oil in the world. The United States is the main destination for European olive oil exports. EU imports originate mainly from Tunisia and Morocco.

Spain, followed by Italy, Greece and Portugal are the main olive oil producers in the EU. To a lesser extent, there is olive oil production in other EU Member States, namely Malta, Cyprus, France and Slovenia.

In normal years, the olive harvest occurs from October to January. Rains in olive oil growing areas can extend the harvest season. In MY2012/13 the lack of precipitation throughout winter, abnormally high summer temperatures, and a cyclical fall in production caused significant production decline in Spain and Portugal.

In Italy, olive oil production in MY2012/13 is estimated at 490,000 MT. Fears over reduced final yields due to dry weather conditions during ripening were eased by September rainfall. Also, in Greece, good yields in have been reported.

Despite of the better performance achieved in Greece and Italy, EU aggregated production of olive oil declined nearly 20 percent compared to the prior season.

Consumption

The poor domestic harvest let to price increased in recent months. In Spain, the EU largest producer, the extra virgin olive oil price in mid March was 2.75 Euros/kg whereas in early November it was 2.41Euros/Kg. In Greece between the last week of December 2012 and last week of February 2013, extra virgin olive oil prices went up from 2.04 Euros/kg to 2.46Euros/kg and in Italy extra virgin olive oil prices rose from 2.61 Euros/kg in the last week of November to 3.19 Euros/kg in the last week of February.

Prices increase, along with the diminishing consumer purchasing power, is dampening olive oil consumption. In general, in the major olive oil consuming countries, less expensive supermarket in store brands are gaining market share. There is also some switching by consumers to less expensive sunflower seed oil.

Trade

Intra EU trade continues to be of significant importance, being Italy the main intra EU destination for Spanish and Greek bulk olive oil. The United States is the main destination for Spanish, Greek and Italian olive oil where as Portugal is more focused on the Brazilian market.

Olive Oil Policy
Coordinator: Karin Bendz/ FAS USEU Brussels

Olive oil is an important crop in the Southern EU, and Spain is the biggest producer. In Spain 21 percent of farms specialize in olives, in Greece 29 percent and in Italy 21 percent. According to Eurostat data, the olive oil sector is the only sector that saw a year-on-year decrease in producer income in 2010 (-5,7 percent), and a decrease of 15.2 percent in 2009. In 2012, dropping prices triggered Private Storage Aid (PSA) as decided by the EU Management Committee. Under PSA, the European Commission can provide aid to the olive oil sector if there are serious fluctuations on the market in a certain region or if the average price for one or more of the following products is recorded on the market during a period not less than two weeks as follows:

• €1,779/ton for extra virgin olive oil
• €1,710/ton for virgin olive oil
• € 1,524/ton for lampante olive oil

The price of olive oil has increased recently and the PSA is not open. Due to dry weather and a cold and late spring, the MY 2012/13 olive oil harvest is not expected to be large, which means prices are likely to increase. At the same time prices for fertilizers and other inputs have increased, putting more pressure on producers.

The EU Action Plan
On June 18, 2012, the European Commissioner for Agriculture presented an Action Plan on the olive oil sector to make it more viable. The draft Action Plan suggests that the strengths of the EU olive oil sector are product quality and image. The suggested action points include:

- Quality control measures to preserve and promote the image of EU olive oil and to protect and inform consumers.
- Strengthen competitiveness through measures available in the CAP.

The Commission also proposes to address in this action plan competition from third countries. In recent decades olive oil production has spread and competition from outside the Mediterranean basin is increasing. Also, some new producing countries are playing an important role in the emergence of new quality parameters which differ from those of the International Olive Council (IOC), reflecting domestic requirements. The Commission indicates that it will continue to oppose to moving away from IOC Codes and work within the framework of the WTO to address measures considered to create a technical barrier to trade.

12. Policy
Coordinator: Karin Bendz/ FAS USEU Brussels

The Common Agriculture Policy

The EU is in the process of creating the latest version of the Common Agriculture Policy (CAP) due to be implemented starting January 1, 2014. On October 12, 2011, the Commission presented a set of legal proposals focusing on competition sustainability and improving economic activities in rural areas. The proposals are currently being discussed in the Parliament and by the Member States (MS).

The proposal will maintain the same two pillars, one with direct payments and one for rural development.

One important change in the proposal is the so called “greening component” in Pillar 1, where the Commission suggests there should be three elements of greening that all farmers would have to comply with to receive direct payments. These three components are:

- Crop Diversification - Farmers must produce at least three different crops, each one accounting for a maximum of 70 percent and a minimum of five percent of each farm.

- Ecological focus areas – Farmers must reserve at least seven percent of arable area for ecological use, i.e. field margins, hedges, trees, fallow land, landscape features, biotopes, buffer strips, afforested area.
- Conservation of permanent grassland – Farmers must not convert permanent grassland into another crop. In the EU the definition of permanent grassland is when the grass has been there for five years.

The Commission's proposal of greening Pillar 1, especially the proposal regarding ecological focus areas, has been heavily criticized so it is still unclear what the final CAP will look like. The European Commission's website has more information.

In March 2013 the European Parliament and the Council voted their views on the Commission Proposal. Following this process there will now be a trilogue where the three EU institutions meet and work on finding a consensus. Thirty trilogue meetings are planned before June 21, 2013, to work on reaching consensus.

Aid System for Oilseed

With the Agenda 2000 CAP reform, support for EU oilseeds farmers became decoupled, meaning farmers get no specific payment for growing oilseeds. The impact of the elimination of production-linked subsidies on the EU oilseeds market is marginal compared to the market impact of the growing biofuels sector.

In the past few years, high demand for rapeseed for the production of biofuels led to increased prices, which has given an incentive to farmers to increase rapeseed production.

With the exception of the olive sector, there is no intervention buying, export subsidy or other market support available for oilseeds in the EU.

Protein Deficiency

The EU suffers from an important protein deficiency and sees this as a vulnerability that could potentially cause price volatility and trade distortions. A member of the European Parliament has drafted an own-initiative report called "*EU Protein deficit: what solution for a long standing problem"* on the protein deficiency and this draft report encouraged debates on how to increase production of vegetable proteins. See GAIN E60050

According to the report, EU protein crop production currently provides only 30 percent of the protein crops consumed as animal feed, and the portion is decreasing. The remaining 70 percent of the protein crops consumed in the EU today, especially soybeans, are imported mainly from Brazil, Argentina, and the United States. These imports are estimated to represent the equivalent of 20 million hectares cultivated outside the EU, or more than 10 percent of EU arable land. Currently around three percent of EU arable land is cultivated with protein crops.

Blair House Agreement

The 1992 Blair House Memorandum of Understanding on Oilseeds (or Blair House Agreement) between the United States and the EU was included in the EU WTO schedule of commitments and resolved a GATT dispute over EU domestic support programs that impaired U.S. access to the EU oilseeds market.

The Blair House Agreement limited the EU oilseed planting area of mainly rapeseed, sunflower seed, and soybeans, for food and feed purposes to an adjusted maximum guaranteed area for those producers benefiting from crop specific oilseed payments. This resulted in a reduction of the EU oilseed production area and penalized production in excess of the maximum.

The Blair House Agreement also limited the production of oilseeds not intended for human or animal consumption planted on set-aside land. Output of these oilseeds was limited to 1 MMT of byproducts expressed in soybean meal equivalent annually.

However, the EU asserts that changes to the CAP in 2008, which stopped payments to farmers producing energy crops and the set-aside regime, means the Blair House Agreement is not relevant and that there are no longer any restrictions on EU oilseed area.

Sustainability

Sustainable production practices are receiving increased attention in the EU. Discussions surrounding the sustainability discussions of biofuels are prompting consideration of sustainability demands for food. It also generates more awareness of agricultural production causing deforestation and other environmental and social problems. This has led some MS to adopt measures on sustainability, currently focusing on palm oil and soybeans, as they are the ones presented in the media as connected to deforestation issues.

Within the European Commission, DG Agriculture and DG Environment are focusing on resource issues such as carbon, water, and biodiversity. The mission of DG Agriculture is to promote the sustainable development of Europe's agriculture and to ensure the well-being of its rural areas. Sustainable production is defined as an agricultural sector which is able to maintain viable production throughout the territory of the EU and which at the same time contributes to the EU's key environmental goals, including the protection of natural and cultural resources and the achievement of successful climate change mitigation and adaptation.

The Commission is co-chairing the European Food Sustainable Consumption and Production Round Table, which began as an industry initiative. The objective of this roundtable is to help consumers and other stakeholders to make informed choices by providing them with accurate and understandable information on relevant product characteristics, including environmental performance. This will be done by the development of a common framework facilitating environmental assessments.

EU Climate and Energy Package

The EU oilseeds market is increasingly affected by the development of the biofuels market. Biofuels are a major factor in agricultural markets and referred to in the Commission Report "Prospects for Agricultural Markets and Income in the EU 2012-22" stating that for arable crops the development are driven by biofuel market, which is the most dynamic factor.

For biofuels to be eligible for financial support, they must comply with the sustainability criteria outlined in the Renewable Energy Directive (RED). These sustainability criteria have to be met by all biofuels whether produced within the EU or imported from another country. One of the criteria is to have at least 35 percent green house gas (GHG) savings compared to conventional fuels. In the RED, Annex V presents default GHG values by feedstock. The GHG saving for biodiesel made from soybeans is 31 percent, and so does not meet the required 35 percent limit. The default value for biodiesel made from rapeseed, which is the most common EU produced biodiesel, is set at 38 percent. The Commission is expected to update this Annex, reportedly later this year.

Due to a grandfathering clause in the RED, biofuels produced in a plan that was operational already in January 2008 did not have to reach the 35 percent GHG savings. As of March 31, 2013, the grandfathering clause is no longer valid and all biofuels must have at least 35 percent GHG savings to qualify for support and count towards the EU target. This might cause problems for biodiesel made from soy oil and palm oil given that their GHG default values, as they are set out in the RED, are below that.

In the absence of second generation biofuels, the 10 percent minimum goal for biofuels in transport has increased demand for vegetable oils to produce biodiesel. According to the European Commission report, Prospects for Agricultural Markets and Income in the EU 2012-2020, the biodiesel sector accounts for over 40 percent of the demand in the EU oil market.

One area that was not included in the RED was the effect that the production of biofuel feedstock has on land use, commonly referred to as indirect land use change (ILUC). This issue is has been under discussion in the Parliament and the Council since the Commission published a proposal in October 2012.

One goal of the proposal is to encourage the transition from first- to second generation biofuels by setting a limit of 5 percent on first generation biofuels in 2020. The proposal also phases out support for first-generation biofuels after 2020, increases the GHG saving requirement to 60 percent for installations starting operations after July 1, 2014, and introduces ILUC emission values on major crop groups. In general, the EU Member States agree that the ILUC proposal does facilitate the transition to second generation, or advanced biofuels.

Although most MS support the ILUC proposal, many of them do not agree with the 5 percent cap on first generation biofuels. Many MS believe this would threaten investments in the biofuels sector, which would lead to difficulties in achieving the 10 percent renewable energy target in the transport sector by 2020. Reportedly, during recent discussions in Brussels there is an agreement among MS and EU institutions that the cap on first generation biofuels should be kept but that it should be higher than 5 percent. Currently, biofuel accounts for about 5 percent of the energy used in transport in the European Union.

Biotech

Asynchronous Rate of Approvals on Soybeans

The EU's slow approval of genetically engineered (GE) events restricts U.S. exports. The EU livestock industry relies on imports of GE feed with soy products being the single largest agriculture import into the EU. The lengthy time it takes for the EU to approve GE products has led to the number of applications continuing to exceed the number of approvals. On January 1, 2013, 74 products were awaiting approval. If the EU continues at the current rate, the backlog of pending products will increase to 106 by 2020. The delay in approvals creates risks for the trade. For example, currently U.S. farmers are pressuring GE producers to place on the market for commercial planting high-oleic soybean varieties, which have not been approved in the EU after several years.

On February 25, 2013, the EU adopted an implementing regulation related to approvals of GE crops. The regulations establish requirements for applications, such as 90-day feeding trials. The Regulation is expected to come into force around October 2013, six months after publication in the Official Journal. Prior to this regulation being passed, the requirements were considered "guidance" and some developers of the GE products were already meeting some of the criteria despite the added risk and cost. Even more importantly, the proposed regulation does not address the major problems with the implementation of current EU regulations on GE products, namely the unpredictable and non-transparent nature of the political decision-making process that follows the safety recommendations provided by European Food Safety Authority (EFSA).

Low Level Presence

The EU does not have a commercially-viable low level presence policy (LLP). In the fall of 2009, shipments of around 180,000 MT of U.S. soybeans were denied entry into the EU because of the detection of dust from GE corn not yet approved in the EU. U.S. soy shipments were stopped. As a result of the situation, the EU quickly approved several GE corn products that were stuck in the EU approval process, so that soybean trade could resume.

In response to this incident, the EU announced a "technical solution" in 2011 in an attempt to minimize trade disruptions due to the low-level presence (LLP) of unapproved GE events in feed imports. The Regulation, Commission Regulation (EU) No 619/2011 which entered into force on July 20, 2011, permits the inadvertent presence in feed shipments of up to 0.1 percent of a GE product unapproved in the EU, if the product is approved in the country of export and it has been 3 months since EFSA concluded its completeness check.

In effect with this "technical solution", the EU chose not to introduce a commercially-viable policy to address the issue of LLP, but to maintain its zero tolerance position. Although the adoption of the

"technical solution" demonstrates that the Commission is aware of the problems caused by asynchronous approvals, the fact that the measure is limited to 0.1 percent renders it commercially unviable.

Pesticides

On January 31, 2013 the European Commission put forward a proposal with legislative measures that would limit the use of neonicotinoids. The Commission proposed a two-year ban of these pesticides on crops attractive to honeybees such as rapeseed, sunflowers and soybeans after EFSA had deemed their use to be an unacceptable risk. In March the Standing committee voted on the Commission's proposal, but no qualified majority was reached. The Commission is now expected to put the proposal to the Appeal Committee, in a bid to have the ban in place by July 1, 2013.

Commodities:

Select

Oilseeds GAIN Reports (EU-27 and Member States since January 2012)

Grains and Oilseeds Market Update|Oilseeds and Products Grain and Feed|Sofia|Bulgaria|2/4/2013

The record summer drought and above average temperatures continued into the fall. The potential for record yields from fall crops has diminished, especially for the rapeseeds crop as winter weather to date has remained mild with below normal snowfall and soil moisture levels especially in North West Bulgaria. Absent a substantial recharge of subsoil moisture, growing conditions for spring crops will be less than optimal. Planted areas of fall wheat and barley exceed that of last year while r...
Grains and Oilseeds Market Update_Sofia_Bulgaria_1-30-2013

France Chooses Agro-Ecology for a More Sustainable Agriculture |Agriculture in the Economy Agriculture in the News Biofuels Biotechnology - GE Plants and Animals Climate Change/Global Warming/Food Security Oilseeds and Products Policy and Program Announcements Special Certification - Organic/Kosher/Halal|Paris|France|1/25/2013

Under France's recently formed government, the Ministry of agriculture has launched an initiative to make agriculture more sustainable, which aims to make France a champion of agro-ecology. Under this initiative, the Ministry puts forward practices that are environment-friendly and increase farms' autonomy. While the government's focus is on the environmental **and social legs of sustainability, the economic dimension appears to have little value. Post recommends sharing successful conservation...**
France Chooses Agro-Ecology for a More Sustainable Agriculture_Paris_France_1-14-2013

Renewable Energy and Bio-fuel Situation in Poland|Biofuels|Warsaw|Poland|12/28/2012

In Poland energy from renewable sources is gradually rising. In 2011 energy production from renewable sources accounted for 11.2 percent of total primary energy production. Poland has not transposed the Renewable Energy Directive (2009/28/EC) (RED) as the government has not come to agreement on a Renewable Energy Act. Further, Poland has not fully transposed Directive 2009/30/EC on fuel specifications and quality monitoring into national law. Among renewable sources, the wind energy sector i...
Renewable Energy and Bio-fuel Situation in Poland_Warsaw_Poland_12-28-2012

Olive Oil Update 2012|Oilseeds and Products|Rome|Greece|12/21/2012

Greece is the third largest olive oil producer in the world behind Spain and Italy. According to industry contacts, MY 2012/13 (November/October) Greek olive oil production is forecast to increase slightly if weather remains stable. More than 80 percent of the Greek annual production is extra virgin olive oil. Per capita consumption of olive oil in Greece (20 Kg/year) is one of the highest in the world. Ninety percent of Greek olive oil is exported to the European Union: 80 percent in bulk a...
Olive Oil Update 2012_Rome_Greece_12-14-2012

2012 Sunflower Crop Hit by Hot and Dry Weather|Oilseeds and Products Biofuels Grain and Feed|Vienna|EU-27|12/10/2012

This report provides EU-27 production, supply, and demand forecasts for oilseeds, protein meals and related products.
2012 Sunflower Crop Hit by Hot and Dry Weather_Vienna_EU-27_12-4-2012

First-Generation Biofuels Weakened - Advanced Biofuels in Progress|Biofuels Agriculture in the Economy Agriculture in the News Oilseeds and Products Biotechnology and Other New Production Technologies|Paris|France|10/29/2012

France totals 20 percent of the European Union's production and consumption of biofuels. In the past two years, first-generation biofuel production has been pressed down by a combination of reduced national and European incentives, together with more competitive market prices for vegetable oils in the food market. The implementation of the Renewable Energy Directive maintains

domestic consumption high, with 7.2 percent biofuels blending into transportation fuels in 2011. This has lead to boo...
First-Generation Biofuels Weakened - Advanced Biofuels in Progress_Paris_France_10-5-2012

Grains and Oilseeds Market Update|Grain and Feed Oilseeds and Products|Sofia|Bulgaria|10/29/2012

The record summer drought and temperatures have continued into the fall. While weather was very favorable for harvest of spring crops and for timely planting of fall crops, the drought's continuation through the fall is raising concern over development of winter crops - wheat and barley, and specifically rapeseeds. The potential for record yields from fall crops is diminishing rapidly with the fate of the rapeseeds crop highly dependent on weather/moisture over the next 2 to 3 weeks. MY12/13 w...
Grains and Oilseeds Market Update_Sofia_Bulgaria_10-24-2012

Romanian spring crops withered by heat and drought |Grain and Feed Oilseeds and Products|Bucharest|Romania|10/15/2012

Weather damaged spring crops registered declines between 30-50 percent as harvest finishes nearly a month earlier than normal. Danube River terminals found the drought reduced water flow critically low in August-early September not as onerous as it allowed greater time to source commodities to fulfill contracts. Low river flow prevented and generally slowed commodity movement to Constanta, the country's main Black Sea terminal port, during this period. Domestic support meant to compensate the...
Romanian spring crops withered by heat and drought _Bucharest_Romania_10-10-2012

Drought Hits Bulgarian Spring Crops|Grain and Feed Oilseeds and Products Trip Report|Sofia|Bulgaria|8/30/2012

During the August 13-15 period, Ag Sofia accompanied by an FAS/Washington analyst, retraced a crop tour conducted five years ago of corn/sunflower production regions in Bulgaria. Participants assessed the drought situation in the region, evaluated general development of agriculture in the region over the last 5 years and engaged producers, agricultural associations and agri-business entities to better understand trends emerging in the sector. This report summarizes observations of the partic...
Drought Hits Bulgarian Spring Crops_Sofia_Bulgaria_8-27-2012

Ag Ministry publishes draft 'protein strategy' |Oilseeds and Products|Berlin|Germany|8/21/2012

Efforts by the German Green party to end soybean imports are beginning to draw more mainstream political action. In June, the German Ministry of Food, Agriculture and Consumer Protection (BMELV) published a draft 'protein strategy' that calls for, among other things, increased legume production as a substitute for imported soybeans. At the national policy level, the focus is mainly on legume crop research. For the CAP, to which Germany is the largest contributor, there is a desire to encourag...
Ag Ministry publishes draft 'protein strategy' _Berlin_Germany_8-8-2012

Crop Situation Update|Grain and Feed Oilseeds and Products Livestock and Products|Prague|Czech Republic|8/15/2012

Farmers in the Czech Republic have so far harvested approximately 25 percent of all grains and over 60 percent of rapeseed. Yields vary among different regions, however, on average they are lower compared to the previous year. Total grain production is forecast approximately 20 percent lower compared to previous year.
Crop Situation Update_Prague_Czech Republic_8-10-2012

Unfavorable Weather Conditions Limit EU-27 Oilseeds Production|Oilseeds and Products Biofuels Grain and Feed|Vienna|EU-27|8/10/2012

This report provides EU-27 production, supply, and demand forecasts for oilseeds, protein meals and related products.
Unfavorable Weather Conditions Limit EU-27 Oilseeds Production_Vienna_EU-27_8-1-2012

Grains and Oilseeds Market Update|Grain and Feed Oilseeds and Products|Sofia|Bulgaria|8/3/2012

June and especially July were excessively and persistently hot and dry. Rains were scattered and below norm. The heat wave hovered over the country at a critical stage of development for corn, and to a certain extent sunflower, affecting pollination and grain filling. The negative effect on corn yields is notable. Sunflower is also affected and yield potential reduced, however, not yet to the degree seen with corn. If the current drought continues, corn and sunflower yields can be expected t...
Grains and Oilseeds Market Update_Sofia_Bulgaria_7-30-2012

Biotechnology - Food Security - Sustainability in the Americas|Biotechnology - GE Plants and Animals Climate Change/Global Warming/Food Security Oilseeds and Products|Paris|France|8/1/2012

In June 2012, farmers from the International Soybean Growers Alliance (ISGA), including two Brazilians, one Paraguayan, and two Americans, traveled to Paris to illustrate how their cultivation practices, including no-till, crop rotation, and biotech seeds, have contributed to an increased productivity, total production, and exports, while reducing environmental impacts. ISGA farmers expressed concerns about France's and the EU's slow approval process of new biotechnology products, while the div...
Biotechnology - Food Security - Sustainability in the Americas_Paris_France_7-9-2012

Corn and Sunflower crops Affected by Persistent Drought |Grain and Feed Oilseeds and Products|Bucharest|Romania|7/26/2012

Harvesting of winter crops is underway with yields lower than expected. Wheat quality is reported as very good, with a large

percentage of the amount meeting milling criteria. Abundant rainfall in May improved soil moisture levels, but a persistent drought since June is affecting spring crops, namely corn and sunflower. Yields may drop further if no significant precipitation is received in the coming weeks.
Corn and Sunflower crops Affected by Persistent Drought _Bucharest_Romania_7-23-2012

AGRICULTURAL BIOTECHNOLOGY|Biotechnology|Warsaw|Poland|6/15/2012

Poland's parliament is considering a restrictive new law on cultivating agricultural biotechnology. The new legislation is expected to be completed by early 2013. On June 1, 2011, the Parliament passed but the President vetoed a new seed law containing language prohibiting distribution of GMO seeds (officially banned for commercial trade since 2006). The President is of the opinion that a comprehensive law on biotechnology was needed, not piecemeal address of the issue via the seed and other ...
Agricultural Biotechnology Annual_Warsaw_Poland_6-15-2012

Greece Olive Oil 2012|Oilseeds and Products|Rome|Greece|6/13/2012

Greece is the third largest olive oil producer in the world behind Spain and Italy. According to industry contacts, MY 2012/13 (November/October) Greek olive oil production is forecast to remain steady if weather remains stable. More than 80 percent of the Greek annual production is extra virgin olive oil. Per capita consumption of olive oil in Greece (20 Kg/year) is one of the highest in the world. Ninety percent of Greek olive oil is exported to the European Union: 80 percent in bulk and 1...
Greece Olive Oil 2012_Rome_Greece_6-8-2012

Grains and Oilseeds Market Update|Grain and Feed Oilseeds and Products|Sofia|Bulgaria|5/14/2012

Bulgaria experienced challenging fall and winter weather that stymied seeding operations and brought record low temperatures and snowfall. Rapeseed recorded the greatest winterkill losses followed by some damage to barley, and minimal effect on wheat. Damaged rapeseed crops are expected to be replaced with corn and sunflower seed in 2012. Wet weather in May will be critical for crop development and, eventually, higher yield as spring to date has remained sparse of moisture. This follows M...
Grains and Oilseeds Market Update_Sofia_Bulgaria_5-9-2012

Rain in Spain - Enough Already|Grain and Feed Oilseeds and Products|Madrid|Spain|5/3/2012

Despite the slightly increased area planted to winter grains in MY2012/13, according to Spain official statistics, production will likely drop by approximately 25 percent compared to the previous season. Recent rains were helpful for the crop development, but will fall far short of making up for lack of rain during winter and early spring in particular in the Southern and East grain producing regions where the crops are harvested earlier. Weather conditions in May will be critical to determine...
Rain in Spain - Enough Already_Madrid_Spain_4-26-2012

Spain Enacts Biodiesel Production Quota System |Biofuels Oilseeds and Products|Madrid|Spain|4/30/2012

Right after Argentina announced the expropriation of 51% of YPF, a subsidiary of Repsol, the Spain's largest petroleum company, the Government of Spain decided to publish a Ministerial Order to establish a biodiesel production quota system. This Ministerial Order lays down the rules to allocate biodiesel production quotas to EU based biodiesel producers whose production would be eligible to meet consumption mandates. The implementation of this quota system would ultimately restrict third count...
Spain Enacts Biodiesel Production Quota System _Madrid_Spain_4-24-2012

Winter crops offer another boost to spring crops |Grain and Feed Oilseeds and Products|Bucharest|Romania|4/30/2012

Ministry of Agriculture initial 2012 crop report shows Romania's winter crop damage as extensive for rapeseed but less so for wheat and barley. Corn and sunflower seeds areas are expected to expand again, as a result, and strengthen Romania's stature as a market supplier in the global corn and sunflower seeds markets.
Winter crops offer another boost to spring crops _Bucharest_Romania_4-23-2012

Preliminary Reports on Winterkill Loses in Poland|Grain and Feed|Warsaw|Poland|3/30/2012

According to the preliminary evaluation significant loses in winter wheat and rapeseed plantations were reported in Western and Central Poland. Although detailed information about the damage are not available yet, two provinces already requested assistance from the central government to mitigate the effects of the winterkill loses.
Preliminary Reports on Winterkill Loses in Poland_Warsaw_Poland_3-30-2012

Select Despite Winter Kill Modest Rebound in EU-27 Rapeseed Production|Oilseeds and Products|Vienna|EU-27|4/17/2012

Total EU-27 oilseeds area in MY 2012/13 is forecast to decrease by 1.8 percent and is expected to total 11.4 million ha. The decrease is mainly explained by 4 percent lower acreage of rapeseed due to unfavorable wet conditions during planting in Denmark, winterkill mainly in Bulgaria and Hungary, and drought in Romania. A marginal increase of sunflower area is projected due to re-sowing of winterkill areas almost offset by a decline due to drought in Spain. Soybean area is also expected to de...
Oilseeds and Products Annual_Vienna_EU-27_4-5-2012

|Biotechnology Biotechnology and Other New Production Technologies Oilseeds and Products Grain and Feed Livestock and Products Honey|Paris|France|2/21/2012

Contrary to several political statements recently made by several members of the Government, France has not only left its national ban on Bt corn, but is also adopting new rules to secure the cultivation of biotech crops. In the past few weeks, a decree was

published in the Official Journal defining "non-biotech" labeling, to be implemented on July 1 of this year. It describes the requirements for products produced in France, but does not apply to imported products. Moreover, a decree setting r...
Non-Biotech Labeling Rules in Place - Proposed Rules on Coexistence_Paris_France_2-10-2012

|Oilseeds and Products Biotechnology Biotechnology and Other New Production Technologies Grain and Feed|Paris|France|2/9/2012

Among European Union (EU) Member States, France ranks above average in being protein-independent. However, despite efforts to reduce dependence on imported North and South soybean meal as the number one source of proteins in animal feed, the amount of soybean meal used in France's animal feed have remained relatively stable at 4 million metric tons (MT) for the past 25 years. At the same time, the use of rapeseed meal in animal feed has sharply increased from minor levels to more than 2 millio...
Incentives and Plant Breeding Breakthroughs to Reduce Soy Imports_Paris_France_2-3-2012

|Grain and Feed Oilseeds and Products|Madrid|Spain|2/8/2012

Dry weather delayed winter grains plantings in Spain and the continuing drought might lead to changes in farmer's spring planting decisions. While there is not a major concern over grains output yet, considering the low amount of snow, the low soil moisture and the reduced dam water availability, the amount of precipitations in February and throughout spring will be particularly critical in determining final yields.
No Rain in Spain Falling on the Plain_Madrid_Spain_2-2-2012

|Oilseeds and Products|Berlin|Germany|1/13/2012

In recent years, the German Green Party has promoted policies designed to replace imported soybeans with domestically produced protein crops. Recognizing that an important political party is openly advocating an end to soybean imports - the largest U.S. agricultural export to Germany - we are providing updated analysis on the feasibility of this policy approach. We conclude that while it would be impracticable for Germany to produce enough plant protein to meet domestic demand, the campaign aga...
Green Movement to End Soybean Imports – An Analysis_Berlin_Germany_1-6-2012

Related GAIN Reports (EU-27 since January 2012)

GM-Free Labeling Conference in the European Parliament|Biotechnology and Other New Production Technologies Trade Policy Monitoring FAIRS Subject Report|Brussels USEU|EU-27|3/18/2013

On March 6, 2013, the political group Greens/European Free Alliance organized a GM-free labeling conference in the European Parliament. Part of the conference was dedicated to the study commissioned by DG SANCO to assess existing GM-free labeling schemes in the EU Member States and the need for harmonization. This report provides a brief read-out of that part of the conference.
GM-Free Labeling Conference in the European Parliament_Brussels USEU_EU-27_3-13-2013

Poultry, Meat, Broiler EU-27 Poultry Exports in 2013 Impacted by Lower Restitutions|Poultry and Products|Paris|EU-27|3/6/2013

EU-27 broiler meat production is slightly revised downward from the official USDA estimate due to production declines in France and the UK more than offsetting the expected higher production in Benelux, Germany, and Poland. Domestic consumption is unchanged as consumers' switch from other meats to broiler meat (cheaper and more convenient) in a recession-stricken EU-27 region. Imports remain flat as higher imports from Thailand will not compensate smaller imports from Brazil. Exports are revi...
Poultry and Products Semi-annual_Paris_EU-27_3-1-2013

Animal Numbers, Cattle, Meat, Beef and Veal, Animal Numbers, Swine, Meat, Swine, Animal Numbers, Cattle, Animal Numbers, Swine, Meat, Beef and Veal, Meat, Swine Supply tightens, prices surge|Livestock and Products|The Hague|EU-27|3/1/2013

The limited number of animals available for slaughter returned the EU to being a net beef importer in 2012. This tight situation is expected to continue in 2013. EU pork production is also forecast to decline during 2012 and 2013. The new animal welfare regulations for sows have cut the breeding herd more significant than anticipated. In 2013, efficient swine production is expected to remain and forecast to benefit from elevated carcass prices and falling feed prices.
Livestock and Products Semi-annual_The Hague_EU-27_2-26-2013

Two Breakthroughs in U.S. exports to Europe |Livestock and Products Sanitary/Phytosanitary/Food Safety|Brussels USEU|EU-27|2/11/2013

EU lifts ban on lactic acid on beef: Commission Regulation (EU) No 101/2013, published on February 5, 2013, allows the application of lactic acid (LA) as a pathogen reduction treatment (PRT) on beef. This approval is a major breakthrough breaching the 15-year-old EU ban on PRTs. It will allow U.S. beef exporters to better take advantage of the EU beef quotas, worth $700 million, without forgoing customary food safety procedures. EU allows imports of U.S. live swine: On February 5, 2013, Commis...
Two Breakthroughs in U.S. exports to Europe _Brussels USEU_EU-27_2-5-2013

2012 Sunflower Crop Hit by Hot and Dry Weather|Oilseeds and Products Biofuels Grain and Feed|Vienna|EU-27|12/10/2012

This report provides EU-27 production, supply, and demand forecasts for oilseeds, protein meals and related products.
2012 Sunflower Crop Hit by Hot and Dry Weather_Vienna_EU-27_12-4-2012

EFSA confirms opinion on safety of animal cloning|Biotechnology and Other New Production Technologies Livestock and Products|Brussels USEU|EU-27|9/21/2012

On July 5, 2012, the European Food Safety Authority (EFSA) published an update of its scientific statement on animal clones and their offspring for food production. EFSA's findings from this latest review reiterated its earlier statement that, with regard to food safety, there is no indication of any difference between food derived from healthy clones or their offspring and food from healthy conventionally bred animals.
EFSA confirms opinion on safety of animal cloning_Brussels USEU_EU-27_7-13-2012

Annual |Biotechnology and Other New Production Technologies|Paris|EU-27|9/10/2012

European government, societies, and businesses remain conflicted about the use of genetically engineered (GE) plants in agriculture and food production. Public perceptions, commercial use, research, and even regulatory approaches, vary among the European Union's (EU) 27 countries. The EU approval system for GE crops remains politicized and operates at a slower pace than regulatory processes in GE producing countries. Imports of foods made from GE varieties not approved in the EU are banned, a ...
Agricultural Biotechnology Annual_Paris_EU-27_8-3-2012

Poultry, Meat, Broiler, Poultry, Meat, Turkey, Select EU-27 broiler and Turkey Sectors to Grow in 2012 and 2013|Poultry and Products|Paris|EU-27|9/5/2012

Both EU-27 broiler and turkey sectors are expected to grow in 2012 and 2013, benefiting both from slowly growing domestic demand (which is less affected than other meats by the economic recession) and increased broiler exports. Brazil and Thailand will remain the largest suppliers of broiler meat to the EU-27. The 2012 hike in global grain prices is likely to tighten poultry processors margins in the second half of 2012 and early 2013.
Poultry and Products Annual_Paris_EU-27_8-31-2012

Animal Numbers, Cattle, Meat, Beef and Veal, Animal Numbers, Swine, Meat, Swine, Animal Numbers, Cattle, Animal Numbers, Swine, Meat, Beef and Veal, Meat, Swine Restructuring Leads to Efficiency|Livestock and Products|The Hague|EU-27|9/3/2012

The EU cattle herd is forecast to shrink, and with the lower availability of animals, also the calf crop, slaughter and beef exports are expected to fall. While the EU cattle sector is looking for its low point, the EU swine sector is expected to emerge from the restructuring in 2012. Pork exports are expected to continue to expand in 2012, and in 2013, a close to record pork production will possibly boost exports to a new all time high.
Livestock and Products Annual_The Hague_EU-27_8-28-2012

Unfavorable Weather Conditions Limit EU-27 Oilseeds Production|Oilseeds and Products Biofuels Grain and Feed|Vienna|EU-27|8/10/2012

This report provides EU-27 production, supply, and demand forecasts for oilseeds, protein meals and related products.
Unfavorable Weather Conditions Limit EU-27 Oilseeds Production_Vienna_EU-27_8-1-2012

EU Biofuels Annual 2012|Biofuels|The Hague|EU-27|7/10/2012

EU Member States (MS) are mandated to reach a minimum of 10 percent for renewable energy consumed in transport in 2020. In 2011, about a fifth of the domestic use of biofuels was imported from outside the EU. Despite a reclassification of bioethanol blends to a higher tariff rate, 2012 and 2013 imports from the United States are anticipated to remain at the same levels as last year, around 1 billion liters. Starting in the fourth quarter of 2012 and in 2013, overall EU imports of biodiesel ar...
Biofuels Annual_The Hague_EU-27_6-25-2012

EU Launches Animal Welfare Strategy 2012-2015 |Livestock and Products Policy and Program Announcements|Brussels USEU|EU-27|6/28/2012

On January 19, 2012, a Communication from the Commission announced the new EU Animal Welfare Strategy for 2012-2015. This new animal welfare strategy succeeds the Community Action Plan on the protection and welfare of animals (2006-2010). The aim of this new strategy is to improve the implementation and enforcement of existing animal welfare legislation, which has less than ideal. A case in point is the poor implementation of the 2012 ban of conventional cages for laying hens. Further, the n...
EU Launches Animal Welfare Strategy 2012-2015_Brussels USEU_EU-27_6-20-2012

Changes to the EU High Quality Beef Quota Published|Livestock and Products|Brussels USEU|EU-27|6/19/2012

On June 8, 2012, the EU published Regulation (EU) No 464/2012 increasing the High Quality Beef (HQB) quota and Regulation (EU) No 481/2012 changing the quota management system to a first come first serve system. The increase in the HQB quota to 48,200 MT is the result of moving to Step 2 in the U.S. – EU agreement on the beef hormone dispute and the implementation of the Canada – EU agreement on a similar dispute. The change to the HQB quota management is intended to provide easier quota

acc...
Changes to the EU High Quality Beef Quota Published_Brussels USEU_EU-27_6-12-2012

Select All eyes on the weather - again|Grain and Feed|London|EU-27|4/18/2012

The weather has already made its mark on the MY2012/13 crop and is likely to remain the focus over the coming months. A severe cold spell in late January and early February caused above average winter losses in some parts of the EU27, especially France, meaning some fields will need to be resown to spring crops. A prolonged dry period through March and into April will also become a concern if rains are not forthcoming ahead of harvest. In spite of this, 284MMT of grain is forecast to be harve...
Grain and Feed Annual_London_EU-27_4-13-2012

Poultry, Meat, Broiler EU-27 Broiler Meat Production, Consumption and Trade to Expand Again in 2012|Poultry and Products|Paris|EU-27|3/6/2012

EU-27 broiler meat production forecasts for 2012 have been slightly revised downward (but still higher than in 2011) from previous estimates mainly due to the difficult economic situation which is foreseen to slow the growth in domestic demand for broiler meat. Broiler meat import forecasts have been raised due to the strong demand in EU-27 for low-cost broiler meat preparations made with imported products from Thailand and Brazil. While broiler meat export estimates for 2012 show an apparent ...
Poultry and Products Semi-annual_Paris_EU-27_3-1-2012

Animal Numbers, Cattle, Meat, Beef and Veal, Animal Numbers, Swine, Meat, Swine, Animal Numbers, Cattle, Animal Numbers, Swine, Meat, Beef and Veal, Meat, Swine EU-27 Semi-annual 2012|Livestock and Products|The Hague|EU-27|3/1/2012

The 2011 and 2012 cattle production, slaughter and stock figures are adjusted to a higher level than anticipated in the Annual Livestock Report. Also the 2011 and 2012 cattle export figure has been adjusted upwards as Turkey lowered the import tariff for live cattle countering the higher Turkish import tariffs for beef. The 2011 and 2012 pig production and slaughter figure is revised upwards based on higher than expected breeding efficiency. Breeding and fattening is expected to continue on a...
Livestock and Products Semi-annual_The Hague_EU-27_2-27-2012